



14th Annual Report
2009-2010



गर्इOWth
on the wings of green



REGD. OFFICE :- Mumbai : 212, Laxmi Plaza, Laxmi Ind. Estate, New Link Road, Andheri (W), Mumbai - 400053 | Phone : 022- 42575800

PLANTS :- Mathura (U.P.) : 239, Mohali, Krishna Nagar, Off Delhi-Agra Highway (NH-2), Dist. Mathura - 281004 U.P. | Phone : 0565-3205037/2460421

Buxar (Bihar) : Plot No. 1898, Chaubeji Ki Chhavani, Sikrol, Jalilpur Thana, Rajpur, Dist. Buxar - 801104 Bihar | Phone : 06183-225846

Chhata (U.P.) : Plot No. 158, Gohari, Delhi-Agra Highway (NH-2), Chhata, Dist. Mathura, U.P. | Phone : 0566-2242101/2242043

Visit us at : www.usheragro.com | Email : usher@usheragro.com

BOARD OF DIRECTORS

Promoter Directors :

- | | |
|----------------------|-----------------------|
| Mr. V. K. Chaturvedi | • Managing Director |
| Mr. Manoj Pathak | • Whole Time Director |

Non - Executive Independent Directors :

- | | |
|-------------------------------|-------------------------------------|
| Mr. Vijay Ranchan (IAS Retd.) | • Director |
| Mr. Ajay Prakash Arora | • Director |
| Dr. Shri Prakash Arora | • Director |
| Mr. N. Krishnan | • Nominee Director - IDBI Bank Ltd. |

COMPANY SECRETARY

Mr. Saurabh Mehta

AUDITOR

M/s. Parekh Shah & Lodha,
Chartered Accountants

BANKERS

IDBI Bank Ltd.
Allahabad Bank
United Bank of India
HDFC Bank Ltd.
ICICI Bank Ltd.
Barclays Bank PLC
HSBC Ltd.
AXIS Bank Ltd.
RABO Bank

REGISTERED OFFICE

212, Laxmi Plaza, Laxmi Ind. Estate,
New Link Road, Andheri (W),
Mumbai - 400 053.
Tel. No. : (022) 39381100, 26375658
Fax : (022) 39381100
Email - usher@usheragro.com
Website - www.usheragro.com

CORPORATE OFFICE

422-424, Laxmi Plaza, Laxmi Ind. Estate,
New Link Road, Andheri (W), Mumbai - 400 053.
Tel. No. : (022) 39381100, 26375658
Fax : (022) 39381110-1117

PLANTS

MATHURA

239, Mohali, Off Delhi-Agra National Highway,
Mathura - 281 004 (U.P.)
Tel. No. : 0565 - 2460421, 2460210/1
Fax : 0565 - 2461068

REPORT BROWSER

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CHHATA, MATHURA

Plot No. 158, Gohari,
Delhi-Agra Highway, Chhata,
Dist. Mathura (U.P.)
Tel. No. : 0566 - 2242101
Fax : 0566 - 2326888

BUXAR

Plot No. 1898,
Chaubeji Ki Chhavani
Sikrol, Dist. Buxar (Bihar)
Tel. No. : 06183 - 225846

MANAGING DIRECTOR'S MESSAGE



Dear Fellow Stakeholder,

Greetings!

At the outset, I congratulate every individual associated with the **USHER AGRO** on successful conclusion of another fruitful financial year. It was a wonderful year to see the company prosper with desired achievements of success and growth. As ever, the focus remained on delivering superior quality, high-end performance, retaining customer's trust and stakeholder's faith. The company realized the robust revenue growth of 64% during the year which reinforces the company's persistence to achieve higher growth trajectory, year on year.

Year of Growth

Despite the challenges of price hikes and adverse economical and climatic conditions with which the year made a beginning, the company has been successful in gaining encouraging results. This financial year, profit after tax (PAT) has registered remarkable growth of 58% compared to 48% growth in last fiscal. The PAT this year has reached ₹ 23.53 crore mark which was ₹ 14.85 crore in last fiscal. Simultaneously, the earnings per share have gone up by as high as 50% during the period.

USHER AGRO has successfully matched the steps with the industry trends that demand the capacity expansion in face of increased need for organized rice processing units in the country. Being one of the very few large scale organized rice milling companies in India, Usher is moving ahead with its significant capacity expansions, which enables **USHER AGRO** to stand strong in top five rice milling companies in India.

Industry Prospects

With food processing gradually gaining rising industry status in India, the rice sector is expected to grow at an increasing momentum. Improvement in logistics, de-commoditization of rice and a shift towards organised retail sector is likely to add momentum to the growth of Indian rice sector. At the moment the rice milling industry in India, particularly for non-basmati rice is completely fragmented and unorganized. Both basmati and non-basmati sectors offer significant opportunities to organized players as their share is significantly low with 35% organized players in basmati and mere 5% in the non-basmati segment. Additionally, the fragmented players lack the technology and expertise required for the multiple activities such as logistics, storage, procurement and milling.

This opens up a huge investment opportunity and potential for organizing the rice milling industry that will achieve efficiencies and economies of scale. As at the moment the competition is less due to lack of enough organized units in the industry, **USHER AGRO** enjoys the benefits of low competition and it shall enjoy the first-mover advantage in future if and when competition comes into play.

Future Focus

USHER AGRO is determined to remain in basic food and the focus will be on capacity enhancement and diversification of product portfolio. Scaling up of milling capacities will play a critical role in long run in non-basmati rice space. Non basmati rice presents more scope, scalability and opportunity compared to basmati rice which constitutes a very small part of over all rice production (less than 2% in volume). The fact that non-basmati rice sector has started showing the trend of moving from non-organized to organized sector continues to inspire **USHER AGRO** to grab the immense potential of this space. To this end, **USHER AGRO** is expanding its rise milling capacity to over 5,50,000 MTPA.

Such significant capacity expansion has led us to extend our reach beyond the boundaries and make a successful foray into the exports market. With initial focus on gulf regions, we have been successful in quantifying our rice exports at 2000 tons per month during the season. Ambitiously, we aim to raise it as high as 5000 tons per month by January 2011. For this we have expansion plans underway to be accomplished by the end of 2010.

In the forthcoming year, we shall look forward to build and develop long term association with big buyers. Consequently, the big-size annual contracts of 10000 tons per buyer for 2010-2011 season are being targeted.

Our Preparedness

The coming year may bring in various challenges like increased competition before us. But we are well-equipped with our strong team, wide marketing network and determination to achieve high performance that will enable us to meet and win the challenges posed by the industry. Our performance enhancement program will also aim at delivering heightened customer experience and raising our service levels to retain as well as enhance our market share.

Robust systems and procedures, strong corporate governance and dedicated team of committed professionals have been so developed and enhanced to ensure seamless operations across the organization. And that combined with the integral qualities of commitment, hard work, experience and knowledge of our talented workforce shall lead us to greater productivity, for sure.

Signing Off

Following the past laurels, we shall stay committed to build and sustain high performance organization through people strength, leverage accelerated scalability and emerge as an admired and preferred company in the basic food business.

On behalf of the Board of Directors, I sincerely thank our customers, employees, dealers, vendors, bankers and the shareholders. I, with my fellow directors, deeply appreciate the trust and confidence that our stakeholders have always reposed in us. Needless to say, we promise to stand by them all with integrity.

Growth has always been our aspiration and beacon of our corporate strategy. This aspiration for growth will continue to inspire everyone at **USHER AGRO** and lead us to take a commanding position in year to come and emerge as a significant player Indian basic food processing sector.

Wishing Prosperity!

Sincere Regards,



V.K. Chaturvedi
Managing Director

FINANCIAL HIGHLIGHTS

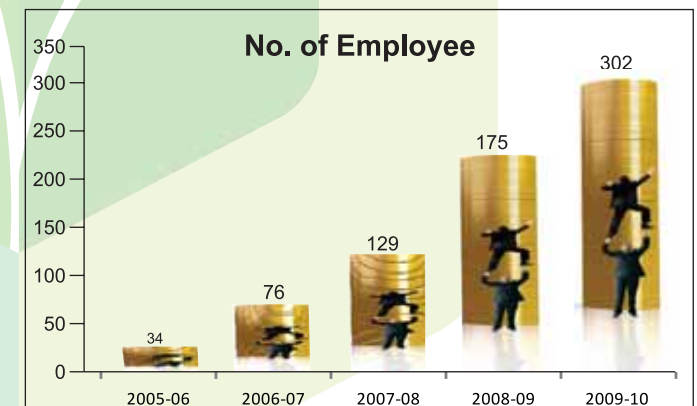
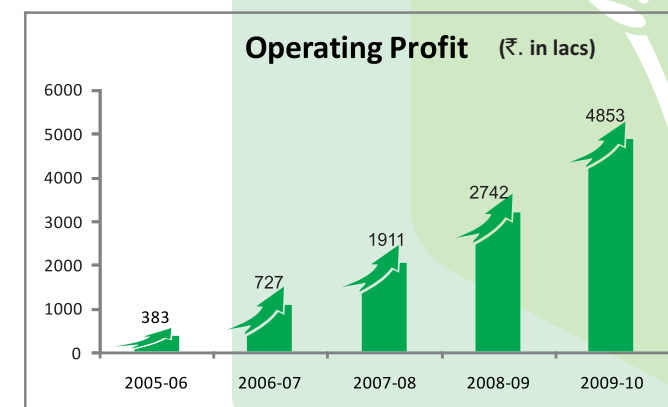
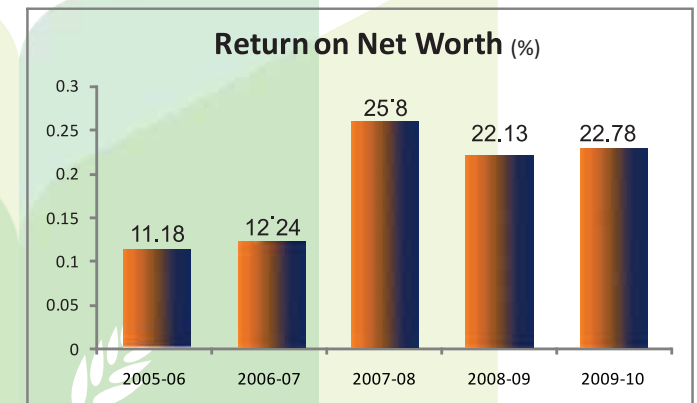
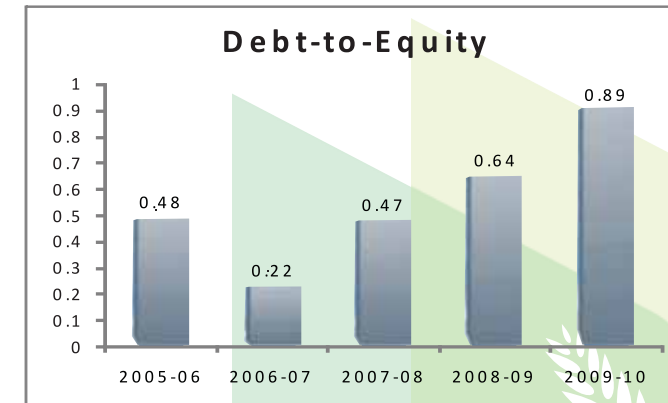
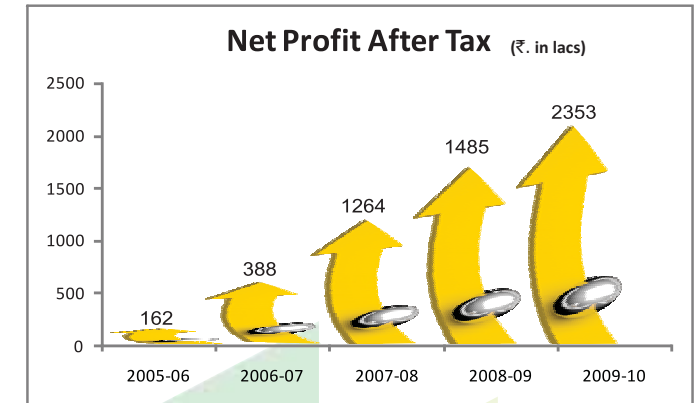
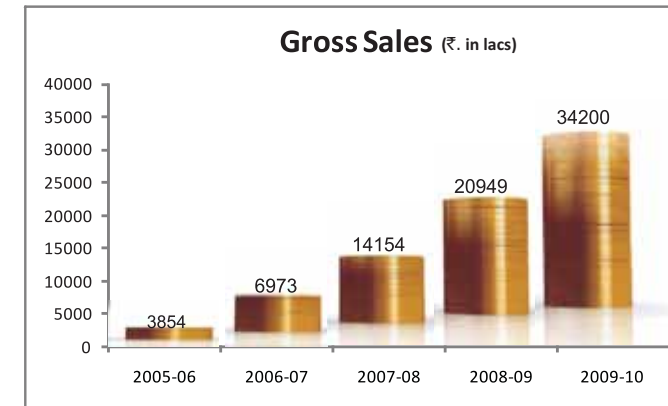
(₹. in lacs)

OPERATIONAL REVIEW	2009-10	2008-09	2007-08	2006-07	2005-06
Gross Sales	34267	20949	14154	6973	3854
EBDITA	4853	2742	1911	727	383
Depreciation	535	233	159	78	51
Finance Cost	1407	537	195	177	138
PBT	2912	1972	1557	473	194
PAT	2353	1485	1264	388	162

FINANCIAL STRUCTURE	2009-10	2008-09	2007-08	2006-07	2005-06
Net Fixed Assets	7794	7560	2453	1845	1010
Capital Work in Progress	2687	625	2727	1030	842
Investments	1502	427	109	0	0
Net Current Assets	20323	8001	3847	1972	1108
Miscellaneous Expenditure	32	65	106	137	28
Total Assets	32338	16676	9242	4983	2988
Net Worth	10326	6772	5006	3308	1476
Borrowings	21451	9477	4068	1560	1414
Deferred tax liability	561	427	168	115	99
Total Liabilities	32338	16676	9242	4983	2988

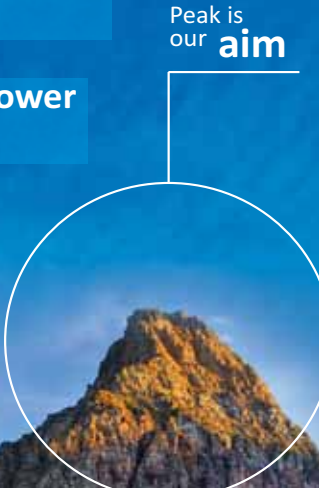
MARGINS & RATIOS	2009-10	2008-09	2007-08	2006-07	2005-06
EBDITA Margins (%)	14.19	13.09	13.50	10.43	9.94
PAT Margins (%)	6.88	7.09	8.93	5.56	4.20
Debt-to-Equity (times)	0.89	0.64	0.47	0.22	0.48
Interest Cover (times)	2.67	3.76	7.48	3.19	2.17
Return on Net worth (%)	22.78	22.13	25.80	12.24	11.18
Return on Capital Employed (%)	17.62	15.05	13.52	9.14	8.32

OPERATIONAL PERFORMANCE



MILE STONES

- 1996 First project of Rice Milling was set up at Mathura (U.P.)
- 2003 Implemented Automated Modernized Rice Milling at its second unit at Buxar (Bihar)
- 2006 Successfully completed IPO with listing at BSE and Wheat Flour Mill set up at Mathura (U.P.)
- 2008 Commencement of Cogeneration Captive Power Plant at Mathura (U.P.)
- 2009 Third unit of Rice Milling commissioned at Chhata, Mathura (U.P.)
- 2010 Successfully listed with NSE
- 2010 Export House Recognition



Peak is our aim



Integrity our foundation

DIRECTOR'S REPORT

Dear Members,

Your Directors take pleasure in presenting Fourteenth Annual Report together with Audited Statement of Accounts for the year ended 30th June, 2010.

1. FINANCIAL RESULTS

Particulars	2009-10	2008-09
Sales & Other Income	34267.38	20948.91
Profit before Financial Charges & Depreciation	4853.49	2741.79
Less : Financial Charges	1406.73	537.15
Cash Profit for the year	3446.75	2204.64
Less : Depreciation	534.71	232.51
Profit before Tax	2912.04	1972.13
Less : Provision for Tax including Fringe Benefit Tax	425.90	219.77
Less : Provision for Deferred tax	134.32	258.58
Less : Short Provision for tax of earlier years.	(0.80)	9.13
Profit after Tax	2352.63	1484.65
Balance brought forward from Previous Year	2816.29	1656.02
Balance available for Appropriation	5168.92	3140.67
Appropriations :		
Proposed Dividend	222.62	106.31
Corporate Dividend Tax	37.83	18.06
Transferred to General Reserve	200.00	200.00
Earning per Share (EPS)	10.91	7.26
Balance carried to Balance Sheet	4708.47	2816.29

(₹. in lacs)

During the year your Company started utilizing the expanded capacity of rice milling setup in the previous year and as a result of which your company achieved a remarkable growth in the operations during the current financial year. The enhancement of production capacities and consolidation of processes and systems derived the synergies and optimized the use of available resources.

During the year under review, the sales and other income of your Company have increased to ₹ 34267.38 Lacs from ₹ 20948.91 lacs in the previous year, recording a growth of over 64%. The Company's Profit before depreciation and tax increased to ₹ 3446.75 Lacs from ₹ 2204.64 Lacs in the previous year reflecting a healthy growth of approximately 56%. Profit after tax also increased to ₹ 2352.63 Lacs against ₹ 1484.65 Lacs in previous year, registering a growth of over 58 %.

Management of the Company under the direction of your Board of Director continued to achieve the targets of cutting down the cost of operations and bettering the efficiency by using better alternated resources/means and methods of operation.

2. APPROPRIATIONS

DIVIDEND

The Board of directors of the Company in their meeting held on 14th April, 2010, recommended an Interim Dividend of ₹ 1.00 per equity share fully paid up which is considered as final dividend for the financial year ended 30th June, 2010. The total payout on account of the dividend including corporate dividend tax will be ₹ 260.46 Lacs.

TRANSFER TO RESERVES

The Company has transferred ₹ 200 Lacs (P.Y. ₹ 200 Lacs) in the General Reserve during the financial year under review in pursuance to the provisions of companies (Transfer of profits to Reserves) Rules, 1975.

3. SUBSIDIARY COMPANY

As on date of this report, the company has one subsidiary company namely Usher Eco Power Limited as a result of allotment of 91,70,000 equity shares of ₹ 10 each fully paid up allotted to the company on 22nd August, 2010 by Usher Eco Power Limited. After the said allotment the company holds 70.18% stake in Usher Eco Power Limited. Since Usher Eco Power Limited has become subsidiary of the company after the balance sheet date hence preparation of the consolidated financial statement as prescribed in AS-21 is not required.

4. CHANGES IN SHARE CAPITAL

On 15th December 2009 the company has issued 60,00,000 warrants on preferential basis to the promoters and others to raise ₹ 2,460 lacs through preferential allotment.

The above preferential issue has been done inter alia to partly fund the ongoing rice milling capacity expansion project of the company at Chhata, U.P. and investment in group / associate companies.

On 10th March, 2010, out of said warrants 10,00,000 warrants were converted into 10,00,000 equity shares of ₹ 10 each fully paid up and the said shares are now listed with The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited.

5. LISTING OF EQUITY SHARES WITH THE NATIONAL STOCK EXCHANGE OF (INDIA) LIMITED

Your company's equity shares are now also listed with the National Stock Exchange of India Limited with the symbol 'USHERAGRO' w.e.f. 30th July, 2010.

6. BUSINESS EXPANSION, DEVELOPMENTS & FUTURE OUTLOOK

A. **Capacity Expansion of Chhata Rice Mill**

Looking into the promising future of the food processing industry in general and basic food segment i.e Rice, Wheat, and Pulse milling in particular, your company is enhancing its existing rice milling capacity of Chhata Plant by more than 100%. At present your Chhata rice milling plant is having capacity of 1,94,400 MTPA and with expansion of 2,91,600 MTPA your Chhata rice milling capacity will be 4,86,000 MTPA and total rice milling capacity will be 5,43,600 MTPA.

Post expansion your company will emerge amongst the top five rice millers of the country on overall milling basis and will have the largest Par-Boiled Rice Milling capacity in the country.

B. **Modernization and Capacity Expansion of Buxar Rice Mill**

Rice Milling process and technology has seen good amount of progress during the last five years, in keeping pace with the advancement in the technology we are modernizing the existing facility of rice milling at Buxar and also adding additional capacity 50000 MTPA thereby making the total capacity at Buxar to 96800 MTPA.

C. **Setting up of 1MW Captive Power Plant at Buxar- Bihar**

With the expansion of the capacity of rice milling at Buxar availability of husk, a bye-product of rice milling, will increase. To take advantage of the of bye product and to be self reliant on the power front your company is planning to setup a co-generation power plant of 1 MW at Buxar, Bihar for captive use. This power plant will help to reduce the cost of operation and increase the production with better capacity utilisation.

D. **Setting up of grain storage Silos at Chhata Plant**

Storage of Grains is considered to be the best in Silos from cost and operational point of view. Presently we are having Hopper Bottom Silos (Storage Vessel) having storage capacity of 2500 MT at Chhata plant. Along with the expansion of milling capacity at Chhata your company is also enhancing its storage capacity by putting up Hopper Bottom Silos of 2500 MT and Flat Bottom Silos of 30000MT. Besides, your company is contemplating to enhance the Silos storage capacity to 75000 MT. The Silos facility so created will help in reducing the labour, packing material cost in addition to savings in wastages.

E. **Expansion of Wheat milling Capacity at Mathura**

Currently we are having 75000 MTPA wheat milling capacity plant at Mathura and your company is planning to expand its existing wheat milling capacity from 75000 to 125000 MTPA. This capacity expansion will increase the existing wheat milling capacity by more than 60% from its existing capacity.

7. FOREIGN EXCHANGE EARNINGS

Right from its inception your company has been focused on the domestic market and in future too our focus shall remain that way. However with the installation of one of the most modern plant at Chhata, for the first time your company has entered the export market in January 2010 and in very short period of six month has been able to successfully tap the overseas market. Your directors are pleased to report that our products are well accepted in the export market and we are confident that in the coming years the export earnings will see quantum jump thereby earning precious foreign exchange for the country. For the year under report your company has exported rice worth ₹ 1948.36 lacs on FOB basis. Your company is targeting mainly Middle East and Gulf countries for the export of rice and wheat based products.

8. BOARD OF DIRECTORS

The Board of Directors of the Company comprises of qualified individuals possessing the skills, experience and expertise necessary to guide the Company. They have contributed immensely for the growth of the Company.

Mr. A.P. Arora and Mr. S.P. Arora, Directors of the Company who retires by rotation in accordance with the provisions of the Articles of Association of the Company and being eligible offer themselves for reappointment.

9. AUDITORS

M/s Parekh Shah & Lodha, Chartered Accountants, have expressed their consent for the re-appointment as Statutory Auditors from the conclusion of ensuing Annual General Meeting of the Company and have confirmed that the appointment, if made, will be in accordance with the limits specified under section 224(1B) of the Companies Act, 1956.

10. AUDITORS' REPORT

The observations, if any, made by the Statutory Auditors in the Auditors' Report are self-explanatory and do not require any further clarification.

11. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors report that

- i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the Company as at 30th June, 2010 and of the profit of the Company for the year ended on that date.
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis.

12. ENVIRONMENTAL PROTECTION AND POLLUTION CONTROL

Your Company regards preservation of the environment as one of its primary social responsibilities. Accordingly, the Company places great emphasis on compliance with pollution control norms. Your company is having all the environment clearance from the appropriate authorities for all the plants.

13. INSURANCE

All properties and insurable interests of the Company including Building and Plant & Machineries and inventories have been adequately insured.

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

a. **Conservation of Energy & Technology Absorption:**

i. Energy Conservation Measures taken:

The Company is aware about energy consumption and environmental issues related with it and continuously making sincere efforts towards conservation of energy. The maintenance of the Boiler and Electrical Equipments is carried out regularly with optimum care with the help of the technical professionals and modern equipments.

The Company is in fact engaged in the continuous process of further energy conservation through improved operational and maintenance practices.

Your company is having a rice bio-mass fired 1 MW co-generation captive power plant at Mathura, which helped to save the cost of power consumption.

- ii. Additional Investments/Proposals, if any, being implemented for reduction of consumption of energy
During the year, the company has made substantial progress in installing state of the art equipments. These equipments are highly efficient and consume less energy with the increased productivity. With the present resources, the Company had taken overall measures to reduce the consumption of energy. This was rendered possible through proper maintenance on regular intervals of Plant & Machinery and other electrical installed in the manufacturing/processing unit of the Company.

- iii. Impact of i and ii above for reduction of energy consumption
With the use of husk based power plant the company has captive power which along with the energy conservation measures has resulted in lesser energy consumption.

- iv. Total Energy consumption and Energy consumption per unit of production as per Form 'A'
The additional information as required under the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 are given as Annexure-I to this report and forms part of it.

15. DEPOSITS

During the year, the Company did not accept any deposits from the public within the meaning of section 58A of the Companies Act, 1956.

16. PARTICULARS OF EMPLOYEES

The Company has not paid any remuneration attracting the provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975. Hence no information is required to be appended to this report in this regard.

17. HUMAN RESOURCE AND INDUSTRIAL RELATIONS

Industrial relations were harmonious throughout the year. The Board wishes to place on record their sincere appreciation to the co-operation extended by all employees in maintaining cordial relations.

18. SEBI REGULATION AND LISTING FEES

Your company has complied all the rules and regulations which are stipulated on the corporate sectors time to time. The Annual Listing Fees for the year under review has been paid to The Bombay Stock Exchange, Mumbai and The National Stock Exchange of India Limited, Mumbai where your company's shares are listed.

19. MANAGEMENT DISCUSSION AND ANALYSIS

A separate report on Management Discussion and Analysis is appended herewith and forms a part of Directors' Report.

20. CORPORATE GOVERNANCE REPORT

The Company is committed to maintain the highest standards of corporate governance. The directors adhere to the requirements set out by the Securities Exchange Board of India's Corporate Governance Practice and have implemented all the stipulations prescribed. Pursuant to clause 49 of the Listing Agreement with Stock Exchanges, a separate section titled 'Report on Corporate Governance' has been included in this Annual Report along with the certificate on its compliance.

21. SECRETARIAL AUDIT REPORT

Keeping with the high standards of corporate governance adopted by the Company and also to ensure proper compliance with provisions of the various applicable corporate laws, regulations and guidelines issued by the securities exchange Board of India and other statutory authorities your company is taking care of all the statutory compliances and submit its Secretarial Audit Report for all the quarters to the Stock Exchange.

22. INTERNAL CONTROL SYSTEMS

The internal Control System is an essential element of the Corporate Governance and plays key role in identifying, minimizing and managing risks that are significant for the Company, contributing to the safeguarding of stakeholders investments and the Company's assets.

The Company's internal control procedures are tailored to match the organization's pace of growth and increasing complexity of operations. The adequacy and effectiveness of internal controls are monitored regularly by the Internal Auditors and the audit observations are reported and discussed by the senior management and the operations teams.

23. ACKNOWLEDGEMENT

Your Directors express their sincere gratitude for the continued support and guidance received by the Company from the various State and Central Government Authorities and other regulatory agencies.

Your Directors would like to acknowledge the continued support and co-operation extended by Financial Institution, Banks, Government Departments, Vendors, Contractors, Distributors, Dealers and valued customers and employees, who have contributed in the success of your Company.

For and on Behalf of the Board

V. K. Chaturvedi
Managing Director

Place : Mumbai
Date : 30th August, 2010

ANNEXURE- I TO DIRECTORS' REPORT

Information as per section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors') Rules, 1988 and forming part of the Directors' Report for the year ended 30th June, 2010.

1. CONSERVATION OF ENERGY

Particulars	2009-10	2008-09
A Conservation of Energy		
1 Power & Fuel Consumption		
1 Electricity		
a) Units Purchased	4716677	2887967
Total Amount (₹)	24556454	14600236
Rate/Unit (₹)	5.21	5.06
b) Own Generation		
(I) Through Diesel Generator		
Units Produced	709761	202718
Unit per ltr. Of Diesel	3.77	3.65
Rate/Unit (₹)	9.96	9.17
(II) Through Steam Turbine/ generator		
Units Produced	4197300	4034324
Unit per kg. of Husk	0.79	0.77
2 Coal		
Quantity (in MT)	-	-
Total Cost (₹)	-	-
Average Rate Per MT (₹)	-	-
3 Furnance Oil/SKO/Diesel		
Quantity in Ltrs	-	-
Total Cost (₹)	-	-
Rate/Unit (₹)	-	-
4 Other (Husk, Saw Dust etc.)		
Quantity (Tons)	-	-
Total Amount (₹)	-	-
Average Cost (₹)	-	-
5 Consumption per unit of production		
Electricity (unit)		
Paddy- Rice	52.79	40.47
Flour- Wheat	55.27	59.33
Furnance Oil (Ltrs)	-	-
Coal (MT)	-	-
Other (Husk, Saw Dust, etc.)	-	-

2. TECHNOLOGY ABSORPTION

The Company is using latest technology in rice and wheat milling which is well established the world over. The Company has installed new equipments with latest technology for the purpose of rice processing.

The Company has carried out R&D in house so as to improve the quality of the Rice Bran, one of the bye-products of rice milling process. The Company has evolved the process to reduce the content of Nakku (Broken Rice) in the Rice Bran.

3. FOREIGN EXCHANGE EARNING AND OUTGO

During the year under review, the foreign exchange outgo was ₹ 40.52 Lacs (Prev. Yr. ₹ 14.65 Lacs) and the foreign exchange earning on exports was ₹ 1948.36 Lacs (Prev. Yr. ₹ Nil).

For and on Behalf of the Board

V. K. Chaturvedi
Managing Director

Place : Mumbai
Date : 30th August, 2010

MANAGEMENT DISCUSSION AND ANALYSIS

Agro – Processing Sector

Agriculture provides the principal means of livelihood for over 58.4% of India's population. It is the means of livelihood for around two thirds of the work force of India making it one of the most important sectors of the economy. It contributes to approximately one-fifth of the total gross domestic product (GDP) and accounts for living of millions of farmers who work to feed the nation.

For three consecutive years (2005-06 to 2007-08), food grains accounted 10% of the total export earnings.

Over the years, agriculture has emerged as one of the top priorities of the Central and State Governments. Keeping this in mind, various schemes have been launched to improve farm productivity and the production. The total food grains production in 2008-09 was estimated at 233.88 million tons as against 230.78 million tons in 2007-08 and 217.23 million tons in 2006-07.

Food Grain Production (Metric Million tons)

Crop	2008-09(Final)	2007-08(Final)
Rice	99.15	96.69
Wheat	80.58	78.57
Other Food Grains	54.15	55.52
Total Food Grains	233.88	230.78

*Source: www.agricoop.nic.in

Agro-processing is now regarded as the sunrise sector of the Indian economy in view of its large potential for growth and likely socio economic impact, specifically on employment and income generation. Some estimates suggest that in developed countries, up to 14% of the total work force is engaged in agro-processing sector, directly or indirectly. Properly developed agro-processing sector can make India a major player at the global level for marketing and supply of processed food.

Food Processing Industry is one of the main segments of the Agro-Processing Industry.

The food processing sector is highly fragmented industry. It widely comprises of the following sub-segments: fruits and vegetables, milk and milk products, beer and alcoholic beverages, meat and poultry, marine products, grain processing, packaged or convenience food and packaged drinks. A huge number of entrepreneurs in this industry are small in terms of their production and operations and are largely concentrated in the unorganized segment. This segment accounts for more than 70% of the output in terms of volume and 50% in terms of value. Though the organized sector seems comparatively small, it is growing at a much faster pace.

The Food Processing Industry: sub-segments :-

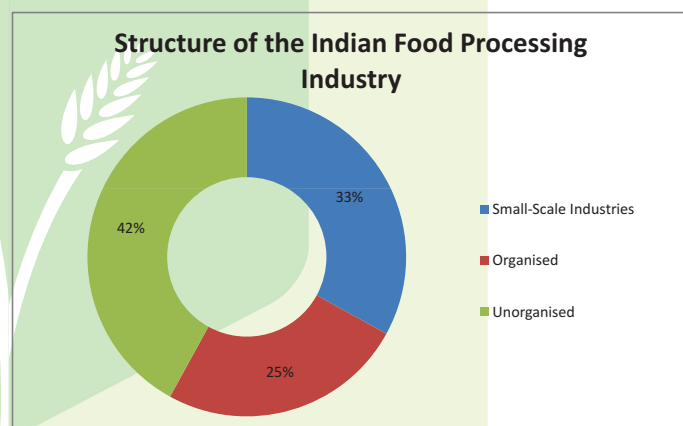
The Indian food landscape can be classified into three categories of products which are consumed in different stages depending on the extent of processing. The Indian food industry has been analyzed into three broad categories:

1. Agri-products: covering grains and cereals, oils and oilseeds, fruits and vegetables, and beverages
2. Milk and milk products
3. Meat, poultry and marine products

Processing of grain includes milling of wheat, rice and pulses. In 1999-00, there were more than 91,000 rice hullers and 2,60,000 small flourmills which were engaged in primary milling. There are 43,000 modernized rice mills and huller-cum-shellers. Around 820 large flourmills in the country convert about 10.5 mn. tons of wheat into wheat products. Also there are 10,000 pulse mills milling about 75% of pulse production of 14 mn. tons in the country.

Primary milling of grains is considered to be the important activity in the grain-processing segment of the industry. However, primary milling adds little to shelf life, wastage control and value addition. Around 65% of rice production is milled in modern rice mills. However, the sheller-cum-huller mills operating give low recovery. Wheat is processed for flour, refined wheat flour, semolina and grits. Apart from the 820 large flourmills, there are over 3 lakh small units operating in this segment in the unorganized sector.

Rice milling industry was reserved for Small Scale Sector (SSI) till 1997 therefore the industry is covered by small marginal mills. As a result the rice milling sector is fragmented and unorganised thus a tremendous opportunity for modern rice millers is scaling up.

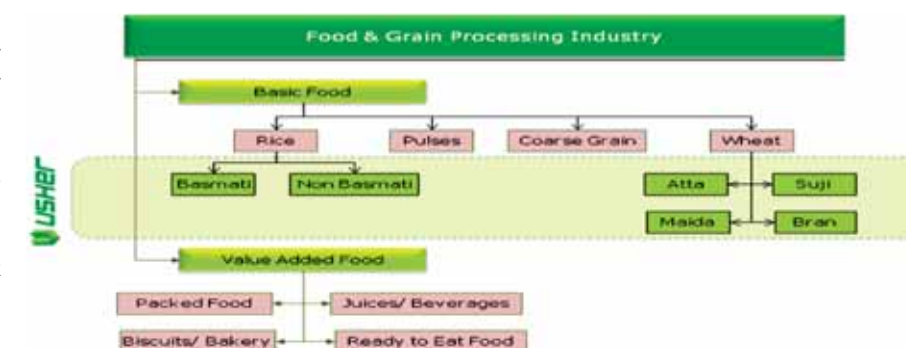


*Source: Ministry of Food Processing Industry.

Going one step forward: Indian food processing sector can be further divided into two main segments

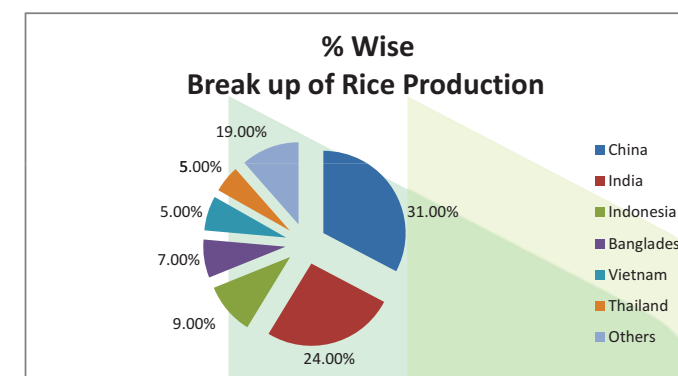
Basic food segment comprises of rice, wheat, pulses, oils and other dairy products. Usher is the only company which is into both the basic food segment comprising of rice and wheat processing.

The other segment comprises of value addition to the basic food segment comprising of products like Jams, Jellies, Dry-fruits, Dehydrated Vegetables, Milk and Dairy Products, Bakery, Biscuits, Pasta etc.



Global Scenario of the Rice Industry

Throughout history rice has been one of man's most important foods. Today, this unique grain helps sustain two-thirds of the world's population. Archeological evidence suggests that rice has been feeding mankind for more than 5,000 years. Rice cultivation is the principal activity and source of income for millions of households around the globe.



Country	Actual Production(MMT)
China	141.32
India	109.42
Indonesia	41.03
Bangladesh	31.91
Vietnam	22.80
Thailand	22.80
Others	86.62

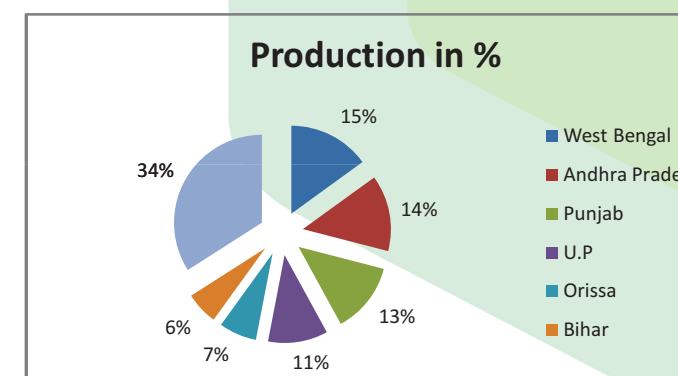
*Source: FAO

Production is geographically concentrated in Asian countries making it the biggest rice producer, accounting for 90% of the world's production and consumption of rice. China and India, which account for more than one-third of global population supply over half of the world's rice.

Indian Scenario of the Rice Industry

Rice is the staple food for more than 70% of Asians. Farms cover over half the land and almost three-quarters of that land is used to grow the two major grains: rice and wheat. Rice is grown in India in both the seasons – Winter and Summer. India's annual rice production is around 95-100 million tons, annual consumption amounting around 90 million tons.

West Bengal, Uttar Pradesh, Andhra Pradesh, Punjab, Tamil Nadu, Bihar, Orissa, Assam, Karnataka and Haryana are the major producing states. More than 50% of total production comes from the first four states.



State	Actual Production (MMT)
West Bengal	15.16
Andhra Pradesh	14.36
Uttar Pradesh	13.20
Punjab	11.09
Orissa	6.87
Bihar	5.64
Others	33.68

*Source: www.ricetrade.com

Cultivation of Rice is the backbone of India's agricultural economy, providing direct employment to about 70% of working people in the country. According to the Government's advance estimates, India has produced all-time high of 99.15 million tons in 2008-09. Area under cultivation has been rising year by year as farmers are getting good prices for their crops, thus increasing rice production over the years.

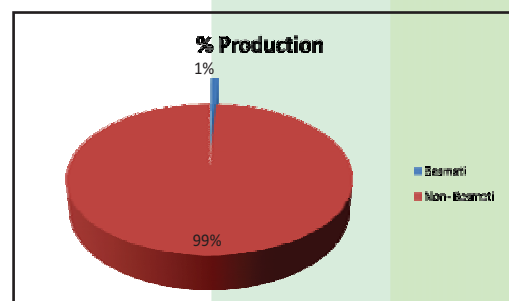
All India Area, Production and Yield of Rice along with percentage coverage under irrigation				
Year	Area Million Hectares	Production Million Tons	Yield Kg./Hectare	% Coverage Under Irrigation
1998-99	44.80	86.08	1921	52.3
1999-00	45.16	89.68	1986	53.9
2000-01	44.71	84.98	1901	53.6
2001-02	44.90	93.34	2079	53.2
2002-03	41.18	71.82	1744	50.2
2003-04	42.59	88.53	2077	52.6
2004-05	41.91	83.13	1984	54.7
2005-06	43.66	91.79	2102	56.0
2006-07	43.81	93.36	2131	56.7
2007-08	43.91	96.69	2202	NA
2008-09 *	45.35	99.15	2186	NA
2009-10 *	NA	89.31	NA	NA

* Advance Estimates *Source: www.agricoop.nic.in

Through a combination of increasing the area under cultivation and increasing cropping intensity, today India is self sufficient in rice. India regularly exports both varieties of rice. In India alone, basmati rice and non basmati rice exports are valued at (US) \$800 million per annum. Over 60% of Basmati rice grown in India is produced for export.

Further Break-up of Rice Industry

Indian Rice Industry constitutes of basically two forms of rice, basmati and non-basmati. In terms of production, non-basmati rice is miles ahead of basmati rice. The basmati rice production of India constitutes less than 1 percent of the total rice produced in India. This makes the basmati sector saturated offering hardly any scope for expansion. The non-basmati sector constitutes approx. 99% of the total rice produced in India thus giving ample opportunity for major rice producers like Usher Agro.



*Source: www.basmatirice-india.com

After harvesting and drying, the paddy is subjected to the primary milling operation which includes de-husking as well as the removal of bran layers (polishing) before it is consumed. In this process the rice which is obtained after milling is called raw rice.

Another process through which rice is obtained after milling is called "Parboiling Rice." Nearly 60% of the total rice produced in India is subjected to parboiling which includes cleaning the paddy for degreasing and after that hot laden paddy is circulated in closed system and heated and finally is discharged into dry elevators.

Furthermore, the Parboiling process is the most difficult process in the whole rice-milling process as it requires highly sophisticated machinery and efficient technical staff.

Minimum Support Prices

Food Corporation of India purchases around 20% to 25% of the total rice production in the country both under levy from the rice mills and directly in the form of paddy from the farmers at Minimum Support Prices announced by the Government.

Keeping in view the interests of the farmers as also the need for self reliance, the government is announcing Minimum Support Prices (MSP) for major crops from year to year. Farmers are free to sell in the open market or to the Government at the MSP depending on what is more advantageous to them. The price support policy of the Govt. is directed at providing insurance to farmers against any sharp fall in farm prices. The minimum price is fixed beyond which the market price cannot fall.

The Minimum Support Prices per quintal is as follows:

Commodity	AMOUNT IN ₹				
	2005-06	2006-07	2007-08	2008-09	2009-10
Paddy (Common)	570	580	645	850	950
Paddy (Grade A)	600	610	675	880	980
Rice (Common)	990	1074	1263	1502	1655
Rice (Grade A)	1035	1120	1309	1548	1701



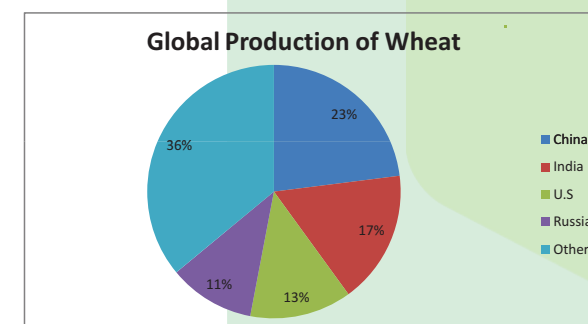
*Source: Ministry of Agriculture
Graph showing Increase in MSP of Rice and Paddy over the Years.

Government procures these two grades of rice from the millers and supply under the Public Distribution System (PDS). Levy quota is different in every state and presently it's 75% in U.P. i.e. 75% of total rice production of these two grades has to be sold to the government on the Minimum Support Prices (MSP). MSP is also remunerative price for rice millers. The total procurement of rice in 2009-10 was 301.34MT as compared to 331.98MT in 2008-09. Historically government used to contribute around 40-45% of overall rice sales of Usher. Going forward we expect our Government sales should be 30% of total sales by volumes.

Wheat Industry

Wheat is one of the most important staple food grains of human race. With production reaching ten times in past five decades, today India is the second largest wheat producer in the whole world. Various studies and researches show that wheat and wheat flour play an increasingly important role in the management of India's economy.

Top wheat producing countries comprises India, China, U.S. and Russia. India ranks second in the world in production of wheat.



*Source: FAO

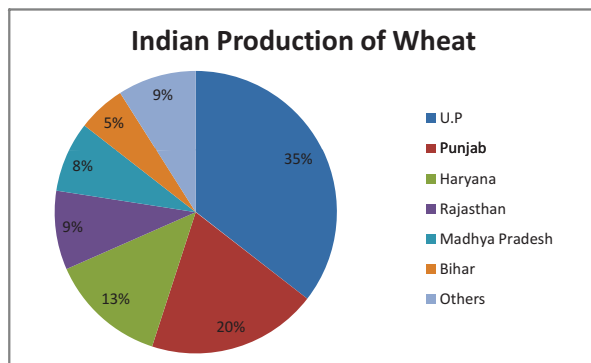
Country	Actual Production (MMT)
China	151.80
India	112.20
U.S.A.	85.80
Russia	72.60
Others	237.60

Indian Outlook

Wheat production is about 80 million tons per year in India and counts for approximately 12 per cent of world production. Being the second largest in population, it is also the second largest in wheat consumption after China, with a huge and growing wheat demand.

The major wheat producing states of India are Uttar Pradesh, Punjab, Haryana, Madhya Pradesh, Rajasthan and Bihar, which together account for around 93% of total production.

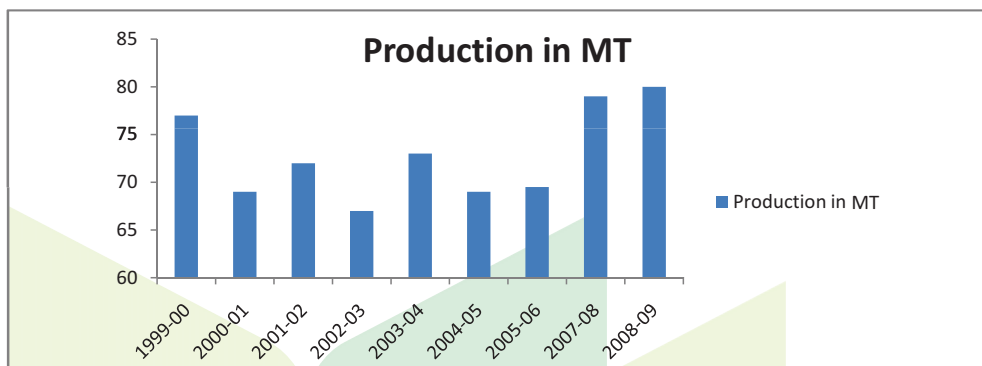
The total targeted procurement of wheat by government is 15 million tones out of 80 million tones i.e. approx. 20 per cent of the total production. The support price operation and the PDS play a significant role in maintaining reasonable and stable food grain prices in the country for both the producers and the consumers.



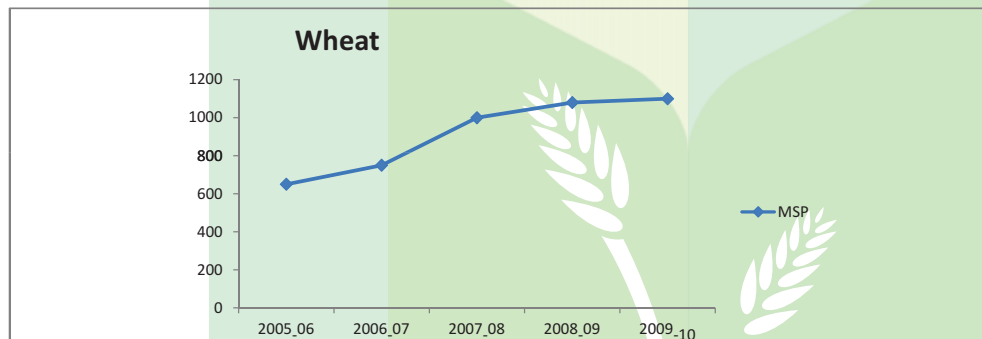
Source: www.indiastat.com

India's wheat production increase is principally driven by yield growth and shift in production from other crops to wheat and an increase in cropping intensity. Promoting rapid economic development and income growth in India, which embraces the poor and particularly the rural poor, may lead to considerable growth in demand for wheat and thus an expansion in trade opportunities.

Country	Actual Production (MMT)
Uttar Pradesh	25.94
Punjab	16.19
Haryana	10.52
Rajasthan	7.28
Madhya Pradesh	6.54
Bihar	4.43
Others	7.29



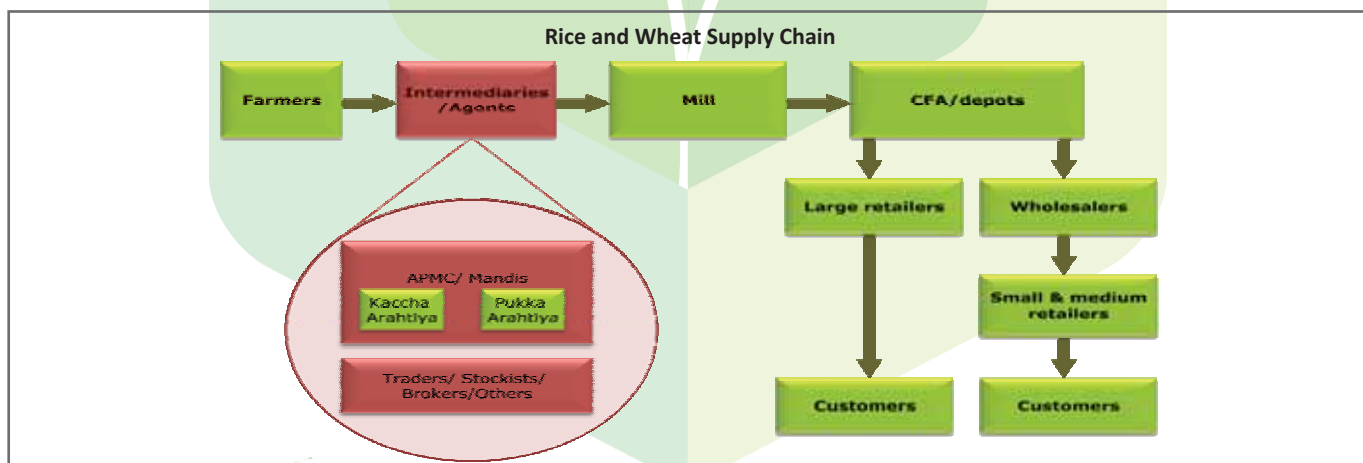
The Minimum Support Prices per quintal shown below :- (Wheat)



Source: www.indiastat.com

Usher Agro aims to reduce the level of intermediation as seen in the wheat market currently, thereby causing a dramatic reduction in transit wastages, keeping our sourcing costs lower and offering best-price produce to our customers. In order to address the opportunities and challenges in the wheat processing sector. Graph showing the increase in MSP of Wheat over the years.

Usher Agro has chalked out a comprehensive strategy. A detailed supply chain for Procurement which is shown below:



Opportunities

The Indian Agriculture Industry is on the brink of a revolution and assumes significance owing to India's sizable agrarian economy, which accounts for over 35% of GDP and employs around 65 per cent of the population. The Government of India has also approved proposals for joint ventures, foreign collaborations and industrial licenses. Both in terms of foreign investment and number of joint ventures / foreign collaborations, the consumer food segment has been the top priority segments. With over 1 billion population and 350 million strong urban middle class and changing food habits, the processed food market is promising a huge potential to be tapped. Excellent export prospects, competitive pricing of agricultural products and standards that are internationally comparable has created trade opportunities in the agro industry.

Business Overview

We are an agri-food processing company primarily engaged in milling and processing of rice and wheat in Northern India. We focus mainly on non-basmati rice and wheat products such as atta, maida, suji etc. Our plants are based in Uttar Pradesh and Bihar, which are among the main rice and wheat growing regions in India.

Synopsis of the Varieties of Rice and Wheat Products produced by your Company.

Rice Products	Wheat Products
Raw Rice / Parboiled/ Steamed Rice <ul style="list-style-type: none"> 1121, DB, Sugandha, Masourie/ Sonam, Parmal/ PR-11/ Common IR-8, Sharbati/ Pepsi, Basmati, Pusa Basmati 	<ul style="list-style-type: none"> R-Atta Semolina Premium (Rawa/ Suji) Whole Meal Atta (Chakki Atta) Fine & Superfine Wheat flour (Maida) Bran (Choker)

We set up our first rice milling plant at Mathura (U.P) in 1996 with a capacity of 10,800 MTPA. Subsequently we expanded our business by setting up our second fully automated rice mill plant in Buxar (Bihar), which commenced its operations in 2003 with a capacity of 46,800 MTPA. In 2009 we commenced the commercial production of our third rice milling plant with the capacity of 1,94,400 MTPA in Chhata (U.P). In 2006, we also set up a wheat roller flour milling plant with installed capacity of 75,000 MTPA at Mathura (U.P). In 2008 we further modernized our existing rice mill at Mathura (U.P) and commenced operations of our 1 MW rice bio mass cogeneration power project for the captive consumption at Mathura (U.P).

Our Key Competitive Strengths

- **Large rice milling capacities:** Our company is amongst the largest producer and processor of non basmati-rice in India. Our total rice milling capacity will increase to 543600 MTPA by December 2010. By continuously expanding our capacity we are enjoying economies of large scale in procurement, processing and logistics.
- **Locational advantage due to our presence in grain belt of India:** Our rice mills and wheat flour mills are located at Chhata and Mathura which are in close proximity to Uttar Pradesh, Bihar, Punjab and Haryana which are major rice producers in North India. Our presence in Mathura and Chhata brings us closer to the rice deficit states such as Rajasthan, Gujarat and Maharashtra. This gives us a logistic advantage to supply products to the consumers in these states.
- **Strong procurement network:** Our presence is close to 'mandis' which enables us to procure raw materials to our plants at lower transportation costs. We have a strong procurement network present in over 60 'mandis'. Further we have our exclusive agents (pukka arhtiya) in each of the 'mandis' to procure raw materials at competitive rates to our plant.

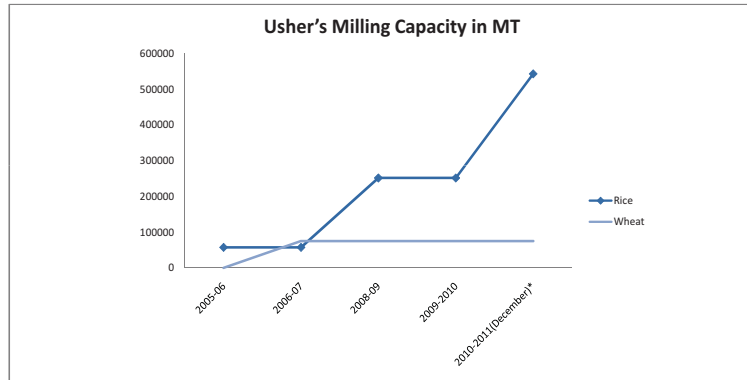
Operational Performance

Rice

Usher Agro from the very first year of its operation is concentrating on the non-basmati sector since the basmati sector is already fully saturated and offers little scope for expansion. The non-basmati rice industry in India is mostly unorganized as compared to the basmati rice industry of India. No organized player commanding even 1% of overall market and this offers ample scope for Usher Agro to grow and expand.

The crux of this sector lies in managing ever increasing demand and accessing the market at the correct time. Demand in this sector has never been a concern since it constitutes the basic staple diet of India making it a very inelastic product. Usher has put up efficient logistic and supply chain management system to effectively cater to this market.

Most of the rice millers in India have an installed capacity of 1MT/hr to 10MT/hr, giving mammoth opportunity to the organized player like Usher Agro that has continuously kept on increasing its capacity.



Usher, with its continuous endeavour in increasing its rice and wheat milling capacity, will be adding another gem in the crown. After the successful implementation of the ongoing expansion our rice milling capacity will be increased to nearly 10 times as compared to our milling capacity in 2006-07. We are of the view that the comparative advantage in this sector lies not only in increasing the milling capacity but to have effective procurement and storage system as well. We have Silos storage capacity 35,000 MTPA at Chhata District (Mathura) and planning to increase by another 30,000-35,000 MT making us the largest silo storage holder in Rice milling industry. This has given us much competitive advantage against our peer group players.

The above chart shows a snapshot of the total Rice and Wheat Milling Capacity of Usher Agro after its expansion plans.

Wheat

The demand for the branded atta has been increased manifold in the country due to increase in the per capita income of the middle and upper middle class, which constitutes major part of the country's population. Also as per the changes in the daily life scenario of the country where both the parents are working, the demand for packaged atta has increased manifold. The demand for specialty wheat flour has increased many times with the rising consumption of fast foods such as pizzas, burgers, cakes and sweets and fast food chains like McDonalds, Pizza huts continuously increasing their capacities.

All these factors have been positively contributing to the Usher's wheat milling part.

Your company has also started the production of Dalia (a product of wheat) along with our existing wheat products such as Atta, Maida and Suji. All our products are well established in the market due to the good quality and efficient network of distributors and dealers.

Power Sector

Energy is a vital building block of economic growth. In an attempt to meet the demands of a developing nation, the Indian energy sector has witnessed a speedy development. With increasing global warming and rising environmental concerns, the produce of power through renewable sources has become the need of the day. Today, India has good potential for the efficient use of renewable energy with significant potential for production of power from renewable energy sources like wind, hydro, biomass and solar energy.

Usher's Contribution

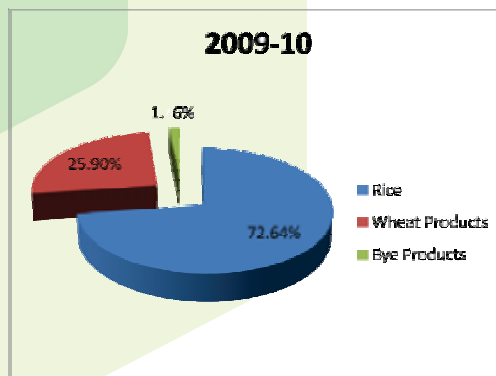
Your company has chalked out concrete plans to contribute on renewable energy production by using Rice husk a byproduct of milling operations to fight the world's energy deficit. In 2008 we modernized our existing rice mill at Mathura (U.P) and commenced operations of our 1 MW rice bio mass cogeneration power project for the captive consumption at Mathura (U.P). Through one of our subsidiary Usher Eco Power, we are in the process of setting a 16MW husk fired power plant which will produce green energy free of harmful chemicals and will be eligible for CDM benefits/Carbon credits.

Financial Performance

Your company has achieved a sales turnover of ₹ 34,267 lacs in the F.Y. 2009-2010 embarking another milestone in the Company's history.

Product	2009-10	2008-09	2007-08
Rice	24841.88	12535.12	7982.58
Wheat Products	8858.68	8097.28	5910.16
By- Products	499.85	262.62	231.26

(₹ in lacs)



The Company continued its strict control on the consumption of raw materials and energy thereby improving its profitability. By looking at the Company's performance given hereunder it can be ascertained that the Company has performed better as compared to the previous year in almost all fronts whether it be operational performance or financial performance.

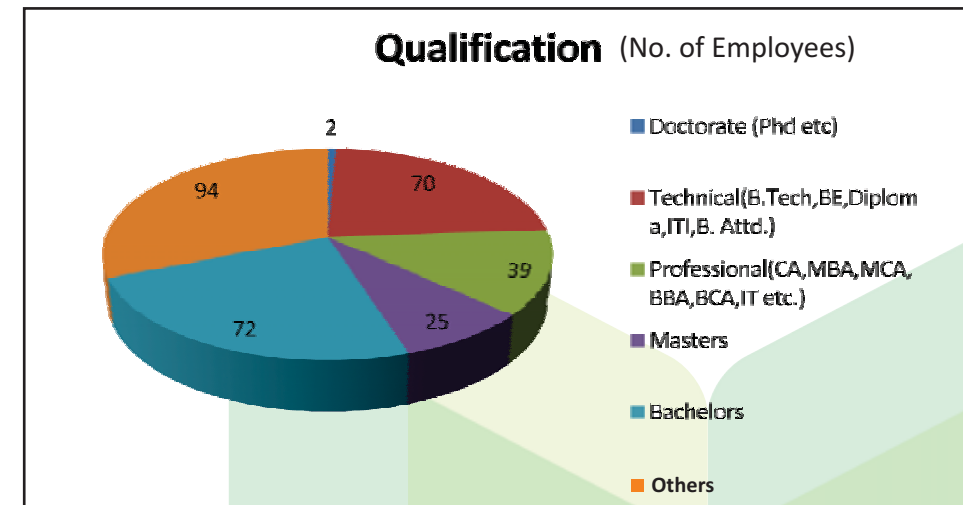
Snapshot of the Year's performance-

- ✓ Total income growth by 64%, increasing to ₹34267 lacs from ₹20895 lacs in the previous year.
- ✓ Net profit after tax by 58% rising to ₹2353 lacs from ₹1485 lacs in the previous year.
- ✓ The earnings per share has increased to ₹10.91 in 2010 from ₹ 7.26 in year 2009.
- ✓ The Net Worth of the Company has reached to ₹10326 lacs from ₹6772 lacs in the previous year.

Human Resource Development and Industrial Relations

The key to the success of the Company lies in its people whose skills, expertise and talent help the Company to achieve and sustain its market position. The Company believes that employees are the key to achieve targeted goals and are the primary source of competitive advantage. Therefore we have recruited, nurtured and retained some of the best talents in the industry.

Usher Agro's workforce composition:

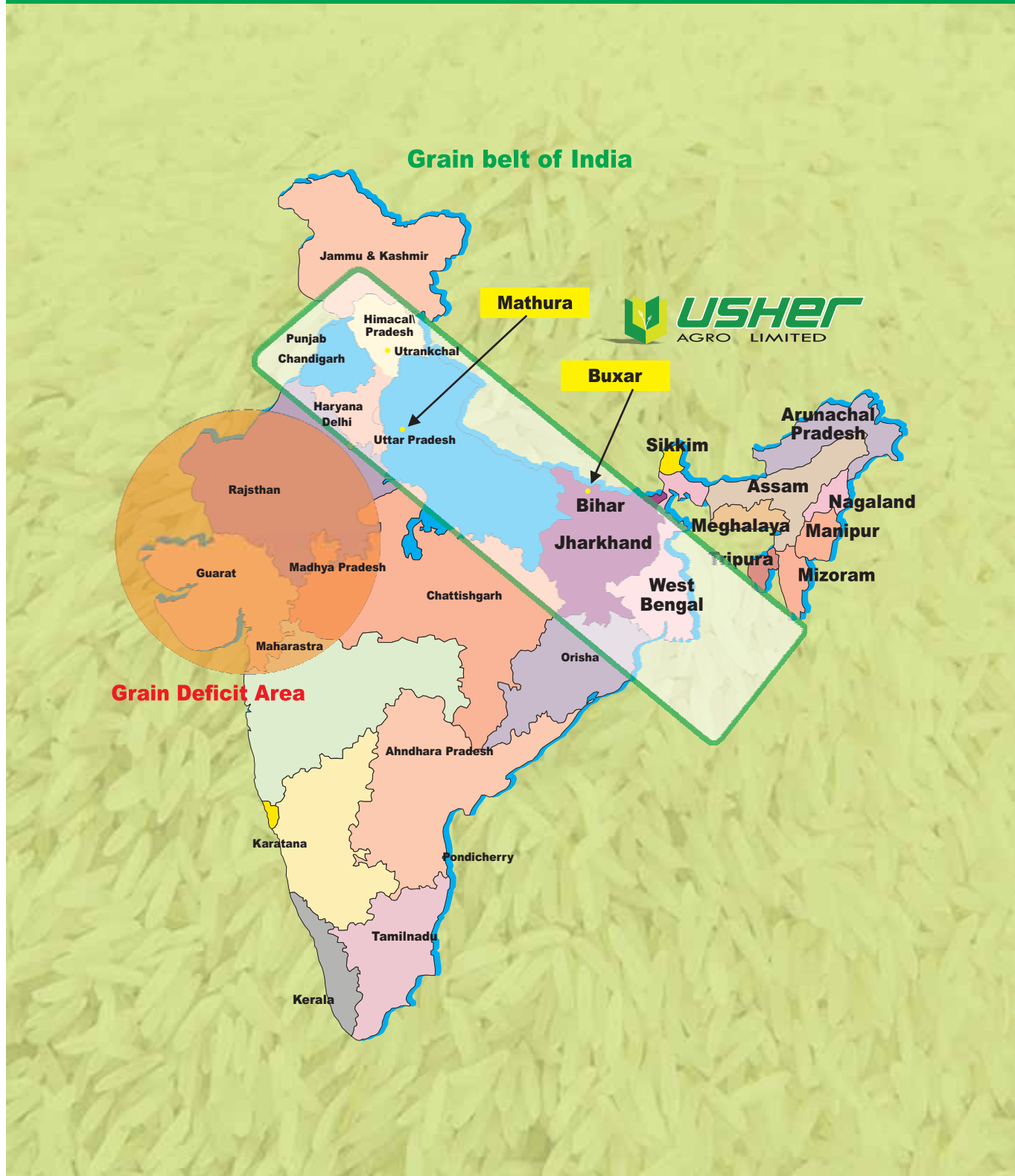


Your Company is giving equal importance to develop the intellectual infrastructure by employing the best HR practices such as performance management, succession planning, open work culture and effective employee communication. HR systems were improved, refined and upgraded to provide better services to business and functions. The Company has stable and experienced middle and senior level management team. The industrial relations with the employees at all levels remained cordial during the year under review.

Cautionary Statement

Statements in the Management and Discussion and Analysis Report contains words or phrases such as "will", "aim", "believe", "expect", "will continue", "plan", "project", "goal" and similar meaning expressions and variations that may be interpreted as "forward looking statements". Actual results could differ from those expressed or implied. Important factors that could affect the Company's operations include economic conditions affecting demand and supply, changes in Government regulations and changes in political conditions and other statutes.

Geographically Positioned



REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

The Company's philosophy on corporate governance is to ensure that information disclosure to present and potential investor is maximized and to ensure that the directors, employees and all concerned are fully committed to maximizing long term value of their Shareholders and the Company. Usher's Corporate Governance philosophy is based on ethical values including honesty, integrity, justice, transparency and responsiveness to stakeholders. Your Company recognizes that good Corporate Governance is a continuing exercise and reiterates its commitment to pursue highest standards of Corporate Governance in overall interest of the Company and its stakeholders.

1. BOARD OF DIRECTORS

The business of the Company is managed by the Board of Directors. The Board formulates the strategy, regularly reviews the performance of the Company and ensures that the previously agreed objectives are met on a consistent basis.

A) Composition of the Board

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The Non-Executive Directors with their diverse knowledge, experience and expertise bring in their independent judgment in the deliberations and decisions of the Board.

As on June 30, 2010, Board of Directors of the Company consists of 6 Directors, with a combination of Executive and Non-executive Directors. The Board consists of 2 Executive Directors and 4 Non-Executive Directors. All the 4 Non-executive Directors are Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

Further, Independent Directors do not have any material pecuniary relationship or transactions with the Company, its promoters, its management or its associates, which in the judgment of the Board may affect independence of judgment of the Director, apart from the sitting fees received by them for attending the meetings of the Board. Further, as mandated by Clause 49, none of the Directors are members of more than ten committees of Boards nor are they chairman of more than five committees in which they are members.

a) Attendance and Composition of the Board

Director	Category*	No. of the Board Meetings Attended	Whether last AGM Attended	No. of outside Directorships held	No. of Committee Membership	No. of shares held in Usher Agro Ltd.
Mr. V.K. Chaturvedi	PD & ED	5	Yes	7	2	3856340
Mr. Manoj Pathak	PD & ED	4	Yes	6	-	3284060
Mr. Vijay Ranchan	ID & NED	4	Yes	5	3	NIL
Mr. A.P. Arora	ID & NED	5	Yes	3	6	239
Mr. S.P. Arora	ID & NED	5	Yes	1	2	NIL
Mr. N. Krishnan**	ID & NED	3	Yes	Nil	-	NIL

* PD - Promoter Director NED - Non- Executive Director
ED - Executive Director ID - Independent Director

** Appointed w.e.f. 14 oct. 2010 as Non- Executive Director

B) Board Procedure

During the financial year 2009-10, the Board of Directors met on the following dates: August 21,2009; September 30,2009; October 31,2009; January 27,2010; April 25,2010 respectively. The gap between any two meetings did not exceed three months, as mentioned in clause 49 of the listing agreement. The dates of the meeting were generally decided in advance. Key information is placed before Board of Directors to appraise corporate governance.

C) Directors seeking Appointment / Re-Appointment

Mr. A.P. Arora and Mr. S.P. Arora are Directors who shall retire by rotation in the ensuing AGM and being eligible for re-appointment. Brief particulars of these directors are as follows:

Particulars	Mr. A.P.Arora	Mr. S.P.Arora
Father's Name	Mr. Madhu Prasad Arora	Mr. Jagat Prasad Arora
Date of Birth	08.05.1941	11.03.1940
Date of Appointment	29.09.2003	29.09.2003
Address	305, Wing 3 -B, Dheeraj Enclave, Borivali (East), Mumbai 66	503, 504, C wing, Dheeraj Enclave, Borivali (East), Mumbai 66
Designation	Non-executive Independent Director	Non-executive Independent Director
Qualification and Experience	Aged 69 years, is the Independent Director of our Company. He holds a Masters Degree in Commerce (M.Com) from Lucknow University and is also qualified as Certified Associate of Indian Institute of Bankers (CAIIB). He has over 37 years of rich experience in handling Banking Finance, Training Programmes, and various activities ..	Aged 71 years, is the Independent Director of our Company. He holds a Bachelors degree in Animal Science from Agra University. S. P. Arora has previously worked with Pfizer Animal Health (Multinational Pharmaceutical Company) for 36 years, where he held several key positions overseeing the sales, technical support, marketing, budgeting, and business development of the company.
Salary etc.	NIL	NIL
Companies in which holds Directorship	1.Usher Eco Power Limited 2.Usher Oils and Foods Limited 3.Usher Capitals Limited	1.Bapa Consultants Pvt. Ltd
Membership of Committee of Board of Directors of the Company	Audit Committee Shareholders grievance committee Preferential Issue Allotment Committee	Shareholders grievance committee Preferential Issue Allotment Committee
Equity Shares held	239	NIL

BOARD COMMITTEES

Presently the Board has three Committees, Audit Committee, Investor Grievances Committee and Preferential Issue Allotment Committee. All of the committees consist all non-executive Independent directors.

The Board was supplied with all relevant information and supporting papers, which were required, to transact the business specified in the agenda of Board Meetings held.

A. Audit Committee

The Board has constituted the Audit Committee, which deals in all matters relating to financial reporting and internal controls. The minutes of the Audit Committee meeting are placed before the Board for information.

The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and the integrity and quality of the financial reporting, review of the quarterly and annual financial statements, the adequacy of internal control systems, the financial and risk management policies etc.

The Committee at present comprises of all non-executive and independent directors. All the members of the Committee have good financial knowledge. Mr. A.P. Arora, a non-executive independent director was the Chairman of the Committee and Mr. N. Krishnan and Mr. Vijay Ranchan are the members of the Committee.

Meeting held during the year and the Attendance thereat:

During the year 4 (four) Audit Committee Meeting were held on September 30, 2009, October 31, 2009; January 27, 2010; April 25, 2010.

The attendance of members of the Audit Committee at these Meetings is as follow:

Sr. No.	Director	Category	No. of Meetings Attended
1	Mr. A.P. Arora	Chairman	4
2	Mr. Vijay Ranchan	Member	4
3	Mr. E.E. Fernandes *	Member	1
4	Mr. N. Krishnan **	Member	2

* Resigned w.e.f. 14 oct. 2010

** Appointed w.e.f. 14 oct. 2010

a. The Chairman of the Audit Committee was present at the Annual General Meeting of the company held on 30 November, 2009.

Company Secretary of the company acts as the Secretary of the Committee. Mr. V.K. Chaturvedi, Managing Director and Mr. Amit Saklecha representative from the Statutory Auditors attended the meetings of the Committee as the invitees.

B. Shareholders' Grievance Committee

The Shareholders' Grievance Committee of the company comprised of three non-executive directors namely, Mr. S. P. Arora as the Chairman Mr A.P. Arora, Mr V. K. Khanna as the members of the Committee. Mr. V.K. Khanna had resigned in the last Annual General Meeting, so Mr. N. Krishnan was appointed as a member of the said committee.

The Board has constituted the Shareholders' Grievance committee as per the guidelines set out in listing agreements with the Stock Exchanges that inter alia include redressing investors' complaints regarding transfer of shares, non-receipt of any correspondence from the Company etc. The Committee also oversees the performance of the Registrar & Transfer Agents and recommends measures for the overall improvement of the quality of the investor services.

Company Secretary acts as the Secretary of the Committee.

Meeting held during the year and the Attendance thereat:

During the year 1(one) Shareholder Grievance Committee Meeting was held on October 31, 2009.

The attendance of members of the Shareholder Grievance Committee at these Meetings is as follow:

Sr. No.	Director	Category	No. of Meetings Attended
1	Mr. S.P. Arora	Chairman	1
2	Mr. A.P. Arora	Member	1
3	Mr. V. K. Khanna	Member	1
4	Mr. N. Krishnan	Member	-

* Resigned w.e.f. 12 oct. 2010

** Appointed w.e.f. 14 oct. 2010

C. Preferential Issue Allotment Committee

The Preferential Issue Allotment Committee of the company comprised of three non-executive directors namely, Mr S.P. Arora, Mr Vijay Ranchan and Mr. A. P. Arora as the Chairman of the Committee.

During the year 2(two) Preferential Issue Allotment Committee were held on December 15, 2009 and March 10, 2010.

Meeting held during the year and the Attendance thereat:

The attendance of members of the Preferential Issue Allotment Committee Meetings is as follow:

Sr. No.	Director	Category	No. of Meetings Attended
1	Mr. Vijay Ranchan	Chairman	2
2	Mr. A.P. Arora	Member	2
3	Mr. S.P. Arora	Member	2

Remuneration of Directors

Remuneration Policy

The remuneration paid to Promoter Director(s) is approved by the shareholders in the General Meeting. The Promoter Director(s) and interested Director (s) do not participate in the proceedings of the said business. The remuneration structure comprises Basic Salary, Perquisites and Allowances, payment and expenses incurred on perquisites. The non-executive Directors do not draw any remuneration from the Company except sitting fees for attending each meeting of the Board.

DETAILS OF REMUNERATION TO DIRECTORS

A. Remuneration to Executive Director

The terms of remuneration of executive directors has been fixed by board of directors and approved by shareholders. The particulars of remuneration of executive directors during the financial year 2009-10 are as under :

Particulars	V.K. Chaturvedi (Managing Director)	Manoj Pathak (Executive Director)
Salary, Include Allowance	13, 00, 000	8, 75, 000
Total (₹)	13, 00, 000	8, 75, 000

B. Remuneration to non-executive directors:

As approved by the board of directors in accordance with the Articles of Association of the company, the non-executive directors are paid sitting fees for every meeting of the board and/or committee attended by them. No commission was paid or payable to the non-executive directors during the financial year 2009-10.

The sitting fees paid to all the non-executive directors for attending each meeting of Board and / or Committee thereof for the year ended 30th June, 2010 is as follows:- Mr. Vijay Ranchan – ₹ 70,000, Mr. A.P. Arora – ₹ 85,000/-, Mr. S.P. Arora – ₹ 65,000/- and Mr. N. Krishnan – ₹ 40,000.

At present the Company does not have any Employee Stock Option Scheme (ESOS).

2. General Body Meetings

Details of Annual General Meetings held during last three financial years:

Year	Date	Venue	Time	Summary of Special Business conducted
2009	30.11.2009	Nandkripa Banquet Hall, Four Bungalow Road, Main Market, Andheri (West), Mumbai-400 058	11.00 a.m.	<ul style="list-style-type: none"> Re-appointment of managing director and variation in terms of remuneration Re-appointment of whole-time director and variation in terms of remuneration Appointment of Mr. N. Krishnan as a director of the company To consider the preferential issue
2008	31.12.2008	Nandkripa Banquet Hall, Four Bungalow Road, Main Market, Andheri (West), Mumbai-400 058	11.00 a.m.	<ul style="list-style-type: none"> Keeping the statutory registers and documents at the premises of the RTA. Raising of funds under section 81(1A).
2007	15.12.2007	Nandkripa Banquet Hall, Four Bungalow Road, Main Market, Andheri (West), Mumbai-400 058	11.00 a.m.	<ul style="list-style-type: none"> Appointment of Shri Pandoo Naig as a Director of the company Increase in Authorized Capital of the company Qualified Institutions Placement (QIP) Authority under Section 293(1)(d) Authority under Section 293(1)(a)

3. Disclosures

- There was no such materially significant related party transaction(s) with its promoters, the directors or the management their relatives, etc. that may have the potential conflict with the interest of the company at large. The other related party transactions are given in the notes of accounts annexed to and forming the part of Balance sheet and Profit and Loss Account of the Company.
- Your company has followed all relevant Accounting Standards while preparing the financial statement.
- Your company has a comprehensive risk management policy and the same is periodically reviewed by the Board of Directors.
- During the last three years, there were no instance of imposition of penalties, strictures by Stock Exchange or SEBI or any statutory authority on the company on any matter related to capital markets, hence no details thereof could be provided.
- Your company is fully compliant with the mandatory requirements of the Clause 49 of the Listing Agreement. The company has not adopted the non-mandatory requirement as prescribed in Annexure I D to Clause 49 of the Listing Agreement.

4. Means of Communication

- Quarterly results of the Company were published regularly in Business Standard and Lokmat, Economic Times, Maharashtra Times newspapers and also displayed on the website of the Company www.usheragro.com shortly after its submission to the Stock Exchange.
- Management Discussion and Analysis Report has been included in this Annual Report and forms the part of this Annual Report being sent to the shareholders of the Company.

5. CEO Certification

Mr. V.K. Chaturvedi, Managing Director has certified to the Board that:

- They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
 - These statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- They accept responsibility for establishing and maintaining internal controls and that they have evaluated the effectiveness of the internal control systems of the company and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- They have indicated to the auditors and the Audit committee.
 - Significant changes in internal control during the year, if any;
 - Significant changes in accounting policies during the year, if any and that the same have been disclosed in the notes to the financial statement; and
 - Instance of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

The above certificate was placed before the Board Meeting held on 30th August 2010.

5. General Shares holders Information

A. Date, time and venue of the annual general meeting:

30th November, 2010 (Tentative)

B. Financial calendar 2010-11

Financial calendar 2010-11	Financial Reporting for Quarter ending
September 30, 2011	- November, 2010
December 31, 2010	- February, 2011
March 31, 2011	- May, 2011
June 30, 2011	- August, 2011

C. Date of book closure: To be Decided

D. Listing on Stock Exchange

- 1) The Stock Exchange, Mumbai
Phiroze Jee Jee Bhoj Towers,
Dalal Street, Mumbai - 400 001
- 2) The National Stock Exchange of India Ltd.
"Exchange Plaza" Bandra Kurla Complex,
Bandra (E), Mumbai-400 051

E. Listing fees

Listing fees paid to Bombay stock exchange (BSE) and National Stock Exchange of India Limited (NSE) for the financial year 2010-11.

F. Electronic connectivity

National Security Depository Ltd & Central Depository Services (India) Ltd.

G. ISIN No. : NSDL / CDSL : INE 235G01011

H. Registered office

212, Laxmi Plaza, Laxmi Industrial Estate,
New Link Raod, Andheri (w),
Mumbai - 400 053 INDIA
Tel. No.: +91 22 39381100, 26375658
Fax No.: +91 22 39381110
Email: usherinvestors@usheragro.com
URL : www.usheragro.com

Corporate office

422-424, Laxmi Plaza, Laxmi Industrial Estate,
New Link Raod, Andheri (w),
Mumbai - 400 053 INDIA
Tel. No.: +91 22 39381100, 26375658
Fax No.: +91 22 39381110
Email: usherinvestors@usheragro.com
URL : www.usheragro.com

I. Plant location

1. Mathura: 239, Maholi, Krishna Nagar, Off Delhi- Agra highway, Mathura Dist- Mathura(U.P.)
2. Buxar: Plot no. 1898, Chaubeji ki Chhavani, Jalilpur Thana, Rajpur, Dist Buxar (Bihar)
3. Chhata : 158, Gohari, Delhi- Agra Highway, Chatta, Dist Mathura

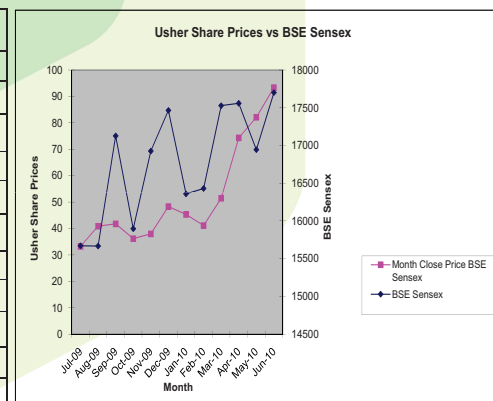
J. Company's code / symbol / series on Stock Exchanges

The Bombay Stock Exchange Limited: 532765
The National Stock Exchange of India Limited: 'USHERAGRO'

K. Market price Date and Performance in comparison to BSE Sensex

Month	Close Price	BSE Sensex
Jul-09	33.2	15670.31
Aug-09	40.85	15666.64
Sep-09	41.75	17126.84
Oct-09	36.15	15896.28
Nov-09	37.95	16926.22
Dec-09	48.3	17464.81
Jan-10	45.3	16357.96
Feb-10	41.1	16429.55
Mar 10	51.45	17527.77
Apr-10	74.3	17558.71
May-10	82.1	16944.63
Jun-10	93.35	17700.9

Company's Share Price Movement Vis a Vis BSE Sensex



Company's shares got listed with NSE on 30th July, 2010 so the data is not provided of NSE.

L. Investors' Correspondence may be addressed to:

Name	Usher Agro Limited
Contact Person	Mr. Saurabh Mehta (Company Secretary & Compliance Officer)
Address	422-24, Laxmi Plaza, Laxmi Industrial Estate, New Link Raod, Andheri (w), Mumbai - 400 053 INDIA
Telephone No.	+91 22 39381100, 26375658
Fax No.	+91 22 39381110
E mail	usherinvestors@usheragro.com

M. Registrar and Share Transfer Agents

The Company has appointed M/s Investor Services of India Limited (ISIL) as its Registrar and Transfer Agent.

Name	Investor Services of India Limited (ISIL)
Contact Person	Mr. Nasir Nomani
Address	IDBI Building, 2nd Floor A Wing, Sector 11, Plot nos 39, 40, 41, Rajiv Gandhi Marg, CBD-Belapur, Navi Mumbai- 400 614
Telephone No.	+91-22 2757 9636 to 46
Fax No.	+91-22 2757 9645
E mail	usher@isilindia.com

N. Dematerialization of shares and liquidity

The Company's shares are traded compulsorily in demat mode under ISIN code INE 235 G01011. The National Securities Depository Limited (NSDL) and the Central Depository Services Ltd. (CDSL) are the depositories holding Company's share in demat mode. As on 30th June, 2010 out of 2,22,62,239 equity shares of ₹ 10/- each, 2,22,62,124 equity shares which is 99.99% of total equity are held in electronic form.

O. Share Transfer System

The work related to share transfer in terms of both physical and electronic mode is being dealt at single point with Investor Services of India Limited. After the completion of preliminary formalities of transfer/transmission by the Share Transfer Agent, the approval of transfer of shares in the physical form is given by the share Transfer Committee.

The Share transfer committee, constituted specifically for this purpose, meets periodically as the need arise to approve the Share Transfer etc.

The Company has complied with the provisions of the requisite guidelines issued by the regulatory authorities in respect of the transfer of shares and other related matters.

Investor Services of India Limited (ISIL) has been appointed as Registrar and Share Transfer Agent for processing, transfer, sub-division, consolidation, splitting of shares and for rendering depository services such as dematerialisation and rematerialisation of the company's shares.

The share transfers, which are received in physical form, are processed and the share certificates returned with in 15 days of lodgment, subject to the documents being valid and complete in all respect.

Shareholders/investors are requested to forward share transfer documents, dematerialization requests and other related correspondence directly to Investor Services of India Limited (ISIL) at the above address for speedy response.

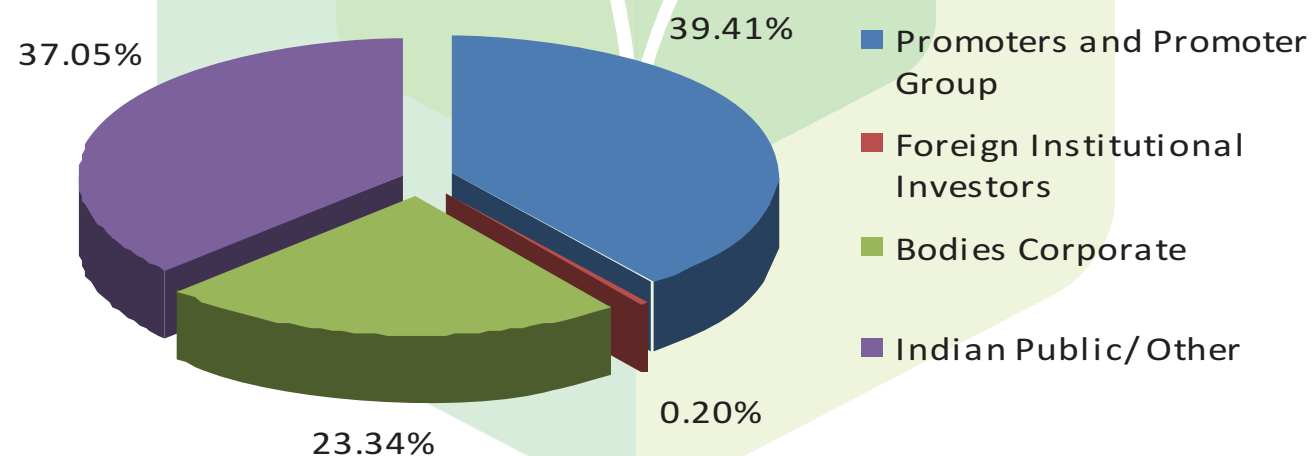
P. Distribution of Holding as on 30th June 2010

Share or Debenture holding of nominal value	Share/ Debenture Holders		Share/ Debenture Amount		
	₹	Number	% to total	₹	% to total
(1)	(2)	(3)	(4)	(5)	
Upto 5000	5907	80.26	9486940	4.26	
5001-10000	683	9.28	5630920	2.53	
10001-20000	333	4.52	5258290	2.36	
20001-30000	96	1.30	2489600	1.12	
30001-40000	61	0.83	2176080	0.98	
40001-50000	67	0.91	3173430	1.42	
50001-100000	87	1.18	6455040	2.9	
100001 and above	126	1.71	187952090	84.43	
Total	7360	100.00	222622390	100	

Q. Shareholding Pattern as on 30th June 2010

Sr. No	Category of Shareholders	No. of Shareholders	Total No. of Shareholders	% of total Shareholding
1.	Promoters and Promoter Group	6	8772500	39.41
2.	Foreign Institutional Investors	1	45000	0.20
3.	Bodies Corporate	255	5195616	23.34
4.	Indian Public/ Other	7098	8249123	37.25
	Total	7368	22262239	100.00

Shareholding Pattern



Declaration

The Board members and senior management personnel have affirmed compliance with the code of conduct for the directors and senior management for the year ended 30th June, 2010

Place: Mumbai
Date : 30th August, 2010

For and on Behalf of the Board
V.K. CHATURVEDI
MANAGING DIRECTOR



CERTIFICATE

Certificate of Compliance from Auditors as Stipulated Under Clause 49 of the Listing Agreement.

To the Members of

USHER AGRO LIMITED

We have examined the compliance of conditions of corporate governance by Usher Agro Limited for the year ended 30th June, 2010 as stipulated in clause 49 of the listing agreement of the said company with the stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the company for ensuring compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the directors and the management, we certify that the company has complied with the conditions of corporate governance as stipulated in clause 49 of the above mentioned listing agreement.

We further state that such compliance is neither an assurance as to the further viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place : Mumbai

Date : 30th August, 2010

For Parekh Shah & Lodha

Firm Registration No. 107487W

Chartered Accountants

Ashutosh Dwivedi

Partner

Membership No. 410227

AUDITOR'S REPORT

To,

The Members of

USHER AGRO LTD.

We have audited the attached Balance Sheet of USHER AGRO LTD., as at 30th June, 2010 and also the annexed Profit and Loss Account and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred on in paragraph (2) above, we report that:
 - a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper Books of Account as required by law have been kept by the Company so far as appear from our examination of the books.
 - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts.
 - d) In our opinion, the Balance Sheet and Profit and Loss Account comply with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956.
 - e) On the basis of written representations received from the Directors as on 30th June, 2010 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 30th June, 2010 from being appointed as directors in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss account read with the notes thereon and attached thereto give the information required by the Companies Act, 1956 the manner so required and also give a true and fair view:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 30th June, 2010 and
 - ii) in the case of Profit & Loss Account, of the **profit** for the period ended on that date.
 - iii) in case of Cash Flow Statement, of the cash flows for the year ended on that date.

Place : Mumbai

Date : 30th August, 2010

For Parekh Shah & Lodha

Firm Registration No. 107487W

Chartered Accountants

Ashutosh Dwivedi

Partner

Membership No. 410227

ANNEXURE TO AUDITOR'S REPORT

1. In respect of its fixed assets:
 - a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) We were given to understand that the management has physically verified the fixed assets during the year and this revealed no material discrepancies during such verification between book records and physical balance. In our opinion the frequency of the verification is reasonable, having regard to the size of the Company and the nature of its business.
 - c) In our opinion the Company has not disposed off any major asset/ substantial part of its business during the year and the 'Going Concern' status of the Company is not affected.
2. In respect of its inventories:
 - a) The inventories have been physically verified by management at reasonable intervals during the financial year.
 - b) In our opinion, the procedures of physical verification of inventories followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The company has maintained proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
 - a) The Company has not granted any loan during the year to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, Consequently, the requirement of Clauses (iii) (b) , Clauses (iii) (c) and (iii) (d) of paragraph 4 of the Order are not applicable.
 - b) During the financial year, the Company has not taken any loan from companies, firm, or other parties covered in the register maintained under section 301 of the Companies Act, 1956 although during the year company has fully repaid interest free unsecured loan taken from one party, which have been taken in earlier year. In respect of said loans, the maximum balance outstanding at any time during the year is ₹ 34,91,950/- and the year end balance is Rs. Nil.
 - c) In our opinion and according to the information and explanation given to us, the rate of interest and other term and condition of the loan taken by the Company are not prima facie prejudicial to the interest of the Company.
 - d) The loans taken were re-payable on demand. As informed, repayment have been made during the year whenever demanded by the lender, thus there has been no default on the part of the Company. The loans taken by the Company is interest free hence repayment of interest dues does not arises.
4. In our opinion and according to the explanations given to us there is an adequate internal control procedure commensurate with the size of Company and nature of its business, for the purchase of fixed assets, inventory and for the sale of goods and services. During the course of our audit no major weakness has been observed in internal controls.
5. In respect of transactions covered under section 301 of the Companies Act, 1956.
 - a) Based on the audit procedures applied by us and according to the explanations provided by the management, we are of the opinion that there are transactions that need to be entered into a register in pursuance of Section 301 of the Companies Act, 1956 and have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register in pursuance of Section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5 lacs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. Sections 58A and 58AA of the Companies Act, 1956 is not applicable to the Company as it has not accepted any deposits from the public. Hence, the clause (vi) of the Order is not applicable.
7. In our opinion the company has an internal audit system commensurate with the size of the Company and the nature of its business.
8. The Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for the Company.
9. In respect of Statutory dues:
 - a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and

Protection Fund, Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty, Service Tax, Cess and any other statutory dues with the appropriate authorities. According to the information made available to us, no undisputed arrears of statutory dues are outstanding as at 30th June, 2010 for more than six months from the date when they became payable

- b) According to the information and explanations given to us and records examined by us, no dues of Sales Tax, Income Tax, Custom duty, Wealth tax, Service Tax, Excise duty and Cess that have not been deposited with the appropriate authorities on account of any dispute except the following:

Nature of Statute	Nature of dues	Period	Amount (₹ in Lacs)	Forum where dispute is pending
Sale Tax Act	Sales Tax	F.Y. 2004-05	6.10	Sales Tax Appellate Tribunal

10. There are no accumulated losses of the Company as on 30th June, 2010. The company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. Based on our audit procedures and as per the information and explanations given by the management, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities during the financial year 2009-10.
13. The provision of any special statutes applicable to the Chit Funds, Nidhi or Mutual Benefit Society are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of this clause are not applicable on the Company.
15. According to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. According to the information and the explanations given to us, the company has raised term loan during the financial year for the rice milling capacity expansion project at Village Chatta, Dist. Mathura (U.P.) and various other projects. The said term loan has been utilized for the purposes which they have been raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we are of the opinion that there are no funds raised on a short-term basis, which have been used for long-term investments.
18. During the current financial year, the Company has made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the company.
19. No debentures have been issued during the current financial year.
20. No money has been raised by public issues during the current financial year.
21. On the basis of our examination and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the current financial year.

Place : Mumbai
Date : 30th August, 2010

For Parekh Shah & Lodha
Firm Registration No. 107487W
Chartered Accountants

Ashutosh Dwivedi
Partner
Membership No. 410227

BALANCE SHEET

as at JUNE 30, 2010

AMOUNT IN ₹

PARTICULARS	SCH.	2009-10	2008-09
SOURCES OF FUNDS			
SHARE HOLDERS FUND			
Share Capital	1	254,520,256	235,038,890
Reserves & Surplus	2	778,078,907	442,206,604
LOAN FUNDS			
Secured Loans	3	1,845,127,539	844,234,698
Unsecured Loans	4	300,000,000	103,491,950
Deferred Tax Liability	5	56,102,413	42,670,373
TOTAL		3,233,829,115	1,667,642,515
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	6	895,790,205	818,889,830
Less :- Depreciation		116,372,428	62,901,602
		779,417,777	755,988,228
Capital Work in Progress		268,721,034	62,461,369
Net Block		1,048,138,811	818,449,598
INVESTMENTS	7	150,209,400	42,679,400
CURRENT ASSETS LOANS & ADVANCES			
Inventories	8	1,348,411,373	640,579,609
Sundry Debtors		655,295,178	369,860,800
Cash & Bank Balance		247,857,883	8,207,918
Loans & Advances		36,544,771	26,032,275
		2,288,109,205	1,044,680,602
LESS:- CURRENT LIABILITIES & PROVISIONS			
Liabilities	9	234,483,299	216,345,403
Provisions		21,373,053	28,277,779
		255,856,352	244,623,182
Net Current Assests		2,032,252,854	800,057,420
MISCELLANEOUS EXPENDITURE			
to the extent not written off or adjusted	10	3,228,050	6,456,098
NOTES ON ACCOUNTS			
Schedules referred to here in form an integral part of the Balance Sheet	16		
TOTAL		3,233,829,115	1,667,642,515

As per our report of even date

FOR PAREKH SHAH & LODHA
Chartered Accountants
Firm Registration No. 107487W

for and on behalf of the Board

Ashutosh Dwivedi
Partner
Membership No. 410227
PLACE : Mumbai
DATE : 30th August, 2010

Saurabh Mehta
Company Secretary

V. K. Chaturvedi
Managing Director

Manoj Pathak
Wholetime Director

PROFIT & LOSS ACCOUNT

for the year ended JUNE 30, 2010

AMOUNT IN ₹

PARTICULARS	SCH.	2009-10	2008-09
INCOME			
Gross Sales			
- Domestic Sales		3,223,084,473	2,089,502,799
- Export Sales		196,956,356	-
		3,420,040,829	2,089,502,799
Other Income	11	6,696,838	5,388,348
Increase/(Decrease) in Stocks	12	133,893,689	163,656,651
TOTAL		3,560,631,356	2,258,547,798
EXPENDITURE			
Cost of Material Consumed	13	2,924,050,609	1,901,408,056
Manufacturing, Administrative & Other Expenses	14	151,232,200	82,960,533
Financial Expenses	15	140,673,438	53,715,247
Depreciation	6	53,470,826	23,250,678
TOTAL		3,269,427,073	2,061,334,514
Profit for the year		291,204,283	197,213,284
Less: i) Provision for Current Tax		42,589,585	21,677,138
ii) Deferred Tax Provision		13,432,040	25,857,467
iii) Provision for Frienge Benefit Tax -			300,000
iv) Provision for Tax for Earlier year		(80,016)	913,255
Profit after Tax		235,262,674	148,465,424
Add: Balance b/f from Previous Year		281,629,553	165,602,009
Balance available for appropriation		516,892,227	314,067,433
Less: i) Proposed Dividend		22,262,239	10,631,120
iii) Corporate Dividend Tax		3,783,468	1,806,760
iv) Transfer to General Reserves		20,000,000	20,000,000
Surplus carried over to Balance Sheet		470,846,520	281,629,553
Earnings Per Share (EPS) (face value of Rs. 10 each) -			
- Basic	Ref. note no. 2(14) of Schedule - 16	10.91	7.26
- Diluted		9.69	7.26
NOTES ON ACCOUNTS			
Schedules referred to here in form an integral part of Profit & Loss Account	16		

As per our report of even date

FOR PAREKH SHAH & LODHA
Chartered Accountants
Firm Registration No. 107487W

for and on behalf of the Board

Ashutosh Dwivedi
Partner
Membership No. 410227
PLACE : Mumbai
DATE : 30th August, 2010

Saurabh Mehta
Company Secretary

V. K. Chaturvedi
Managing Director

Manoj Pathak
Wholetime Director

CASH FLOW STATEMENT
for the year ended JUNE 30, 2010

		AMOUNT IN ₹	
Particulars	2009-10	2008-09	
A. CASH FLOW FROM OPERATING ACTIVITIES :			
Net Profit before Tax & Extraordinary Activites	2,912.04	1,972.13	
Add.			
Depreciation	534.71	232.51	
Preliminary Expenses written off	-	8.95	
Less: Other Income	(66.97)	(53.88)	
Less: Prior Period Items			
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE S	3,379.78	2,159.71	
Inventories	(7,078.32)	(3,951.44)	
Debtors	(2,854.34)	(1,254.22)	
Loans, Advances & Deposits	(105.12)	(195.01)	
Trade Payables	181.38	1,268.74	
Sub Total	(9,856.41)	(4,131.94)	
CASH GENERATED FROM OPERATIONS	(6,476.62)	(1,972.23)	
Other Income	66.97	53.88	
Taxes Paid	(531.98)	(269.13)	
Sub Total	(465.01)	(215.25)	
NET CASH FROM OPERATING ACTIVITIES	(6,941.63)	(2,187.47)	
B. CASH FLOW FROM INVESTMENT ACTIVITIES			
Purchase of Fixed Assets /Investments	(769.00)	(5,339.38)	
Capital Work in progress	(2,062.60)	2,102.82	
Sale of fixed Assets / Investments	-	-	
Investments	(1,075.30)	(318.23)	
NET CASH USED IN INVESTING ACTIVITES	(3,906.90)	(3,554.79)	
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Issue of Shares & Share Application Money	1,461.37	406.47	
Proceeds from Borrowings (Net)	11,974.01	5,409.28	
Dividend Paid	(222.62)	(106.31)	
Corporate Dividend Tax Paid	-	-	
Miscellaneous/Deffered Expenses	32.28	32.28	
NET CASH USED IN FINANCING ACTIVITIES	13,245.03	5,741.72	
Net increase / decrease in Cash and Cash equivalents	2,396.50	(0.55)	
Cash and Cash Equivalents 01.07.2009	82.08	82.63	
Cash and Cash Equivalents 30.06.2010	2,478.58	82.08	

As per our report of even date
FOR PAREKH SHAH & LODHA
Chartered Accountants
Firm Registration No. 107487W

for and on behalf of the Board

Ashutosh Dwivedi
Partner
Membership No. 410227
PLACE : Mumbai
DATE : 30th August, 2010

Saurabh Mehta
Company Secretary

V. K. Chaturvedi
Managing Director

Manoj Pathak
Wholetime Director

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 30.06.2010

		AMOUNT IN ₹	
PARTICULARS	2009-10	2008-09	
SCHEDULE - 1: Share Capital			
Authorised Capital 3,40,00,000 Equity Shares of Rs.10/- each	340,000,000	340,000,000	
Issued Subscribed & Paid up Capital			
2,22,62,239 Equity Shares of Rs.10/- each Fully Paid Up (Previous Year 2,12,62,239)	222,622,390	212,622,390	
Equity Share Application Money: Pending Allotment	31,897,866	22,416,500	
TOTAL	254,520,256	235,038,890	
SCHEDULE - 2 Reserve & Surplus			
General Reserves at the beginning of the year	45,200,000	25,200,000	
Add: Transfer from P&L during the year	20,000,000	20,000,000	
A	65,200,000	45,200,000	
Securities Premium	115,377,051	53,605,099	
Add: Received during the year	129,883,384	65,000,000	
	245,260,435	118,605,099	
Less: Public Issue Expenses Write Off	3,228,048	3,228,048	
B	242,032,387	115,377,051	
Profit & Loss Account balance	470,846,520	281,629,553	
C			
TOTAL (A+B+C)	778,078,907	442,206,604	
SCHEDULE - 3 Secured Loans			
- Term Loans			
Opening Balance	382,750,000	310,510,000	
Add: Disbursed during the year	363,900,000	86,100,000	
	746,650,000	396,610,000	
Less : Installments repaid during the year (Repayment of principal due in next one year Rs. 11,38,46,667/-) (PY9,70,66,343/-)	97,066,343	13,860,000	
A	649,583,657	382,750,000	
- External Commercial Borrowing			
B	249,813,566	-	
- Buyers Credit for Purchase of Capital Goods			
C	-	46,935,245	
-Equipments & Vehicle Loans (Repayment of principal due in next one year Rs. 54,28,150/- P.Y. Rs. 2,62,409/-)	18,657,440	651,389	
D			
	918,054,664	430,336,634	
- Working Capital Loans	927,072,876	413,898,064	
E			
SUB TOTAL	927,072,876	413,898,064	
TOTAL (A+B+C+D+E)	1,845,127,539	844,234,698	
SCHEDULE - 4 Unsecured Loans			
From Banks	300,000,000	100,000,000	
Intercompany Deposits	-	3,491,950	
TOTAL	300,000,000	103,491,950	
SCHEDULE - 5 Deffered Tax Liability			
At the beginning of the year	42,670,373	16,812,906	
Add : Additions during the year	13,432,040	25,857,467	
TOTAL	56,102,413	42,670,373	

SCHEDULE -6 FIXED ASSETS	GROSS BLOCK		TOTAL AS ON 30.6.2010	DEPRECIATION FOR THE YEAR		NET BLOCK	
	AS ON 1-Jul-09	ADDITION DURING THE YEAR		AS ON 1-Jul-09	AS ON 30-Jun-10	AS ON 30-Jun-10	AS ON 30-Jun-09
LAND	26,289,116	-	26,289,116	-	-	26,289,116	26,289,116
OFFICE BUILDING	7,343,267	18,229,439	25,572,706	268,266	534,278	25,038,428	7,077,255
BUILDING	185,407,366	-	185,407,366	6,192,606	16,977,813	168,429,553	174,622,159
GODOWNS	-	9,678,173	9,678,173	240,656	240,656	9,437,517	-
PLANT & MACHINERY	581,855,313	34,278,448	614,133,761	44,476,879	91,756,555	522,377,206	534,575,637
ELECTRICAL INSTALLATION	4,187,418	-	4,187,418	310,707	1,443,484	2,743,934	3,054,641
COMPUTER & PRINTER	1,821,042	1,626,574	3,447,616	416,742	1,111,075	2,336,541	1,126,709
TUBE WELL, WATER TANKS & PIPINGS	538,321	334,695	873,016	10,259	51,877	821,139	496,703
FURNITURE & FIXTURE	3,779,557	667,081	4,446,638	264,339	643,538	3,803,100	3,400,358
VEHICLE	6,181,566	3,078,999	9,260,565	777,395	2,906,000	6,354,565	4,052,961
OFFICE EQUIPMENT	843,592	2,433,442	3,277,034	123,745	262,234	3,014,800	705,103
LABORATORY & STORE EQUIPMENTS	643,274	8,573,523	9,216,797	389,232	444,918	8,771,879	587,588
TOTAL	818,889,831	78,900,374	895,790,205	53,470,826	116,372,428	779,417,777	755,988,229
PREVIOUS YEAR TOTAL	284,951,613	533,938,219	818,889,831	23,250,678	62,901,602	755,988,229	245,300,690

Note :- The Company has received Capital Subsidy of Rs. 20.00 Lacs from Government for 1 MW Captive Power Plant situated at Mathura (UP).

PARTICULARS	AMOUNT IN ₹	
	2009-10	2008-09
SCHEDULE -7 Investments		
Non Trade Investments		
- Long Term Investments (Unquoted)		
In Equity Share 45,47,500 (P.Y. 12,80,500) of Rs. 10 each fully paid up of Usher Eco Power Limited	45,475,000	12,805,000
A	45,475,000	12,805,000
- In Equity Share Application Money		
Pending for allotment		
- Usher Eco Power Limited	91,170,000	22,750,000
- Usher Infra Logic Limited	4,314,300	2,814,300
- Usher Oils & Foods Limited	9,250,100	4,310,100
B	104,734,400	29,874,400
TOTAL (A+B)	150,209,400	42,679,400
SCHEDULE -8 Current Assets, Loan & Advances		
Current Assets		
Inventories (Taken, valued & certified by Director)		
Sundry Debtors (Unsecured considered good)		
Exceeding six months	2,554,910	1,479,647
Others less than six months	652,740,268	368,381,153
B	655,295,178	369,860,800
Cash & Bank Balances		
Cash in Hand	1,116,834	766,149
Balance with scheduled banks		
- In Current A/c	125,666,915	2,404,494
- In Fixed Deposite A/c	112,967,799	4,501,258
- In EEFC A/c	6,816,822	-
- In No Lien A/c.	1,289,513	536,017
C	247,857,883	8,207,918
Loans & Advances		
(Unsecured, considered good) Advance recoverable in cash or kind or for the value to be received)	33,196,502	25,428,175
Deposits	3,348,269	604,100
D	36,544,771	26,032,275
TOTAL (A+B+C+D)	2,288,109,205	1,044,680,601
SCHEDULE -9 Current Liabilities & Provisions		
Current Liabilities		
Sundry Creditors/Bill Payables for goods	210,873,258	196,484,515
Sundry Creditors for expenses	21,782,383	14,627,045
Advance from Customers	351,412	4,684,097
Interest Accrued but not due	1,476,246	549,746
A	234,483,299	216,345,403
Provision for		
Income Tax	17,589,585	21,677,138
Fringe Benefit Tax	-	381,701
Dividend	-	5,315,560
Corporate Dividend Tax	3,783,468	903,380
B	21,373,053	28,277,779
TOTAL (A+B)	255,856,352	244,623,182
SCHEDULE -10 Miscellaneous Expenditure		
(To the extent not written off or adjusted)		
Preliminary Expenses		
As per last Balance Sheet	-	895,262
Add :- Incurred during the year	-	-
Less :- Written off during the year		
Deferred Revenue Expenses	-	895,262
As per last Balance Sheet	-	895,262
Add :- Incurred during the year (Public Issue Exp.)	6,456,098	-
Less: Written off during the year from securities premium		
6,456,098	9,684,146	-
3,228,048	3,228,048	-
3,228,050	6,456,098	-
TOTAL	3,228,050	6,456,098

PARTICULARS	AMOUNT IN ₹	
	2009-10	2008-09
SCHEDULE - 11 Other Income		
Service Charges / Disc. Received	497,765	1,527,674
Misc Income including Hulling Charges	2,359,969	3,613,212
Interest on Margin Money/FDR (Includes TDS of ₹.2,19,744/- P.Y. ₹ 48,171/-)	2,211,104	247,462
Subsidy on Power Plant	-	-
Gain/(Loss) on Foreign Exchange Fluctuation	1,248,000	-
Rent-Received	380,000	-
TOTAL	6,696,838	5,388,348
SCHEDULE - 12 Increase/(Decrease) in Stocks		
Closing Stock		
Finished Goods	410,907,518	277,013,829
A	410,907,518	277,013,829
Opening Stock		
Finished Goods	277,013,829	113,357,178
B	277,013,829	113,357,178
Increase/(Decrease) in Stocks	TOTAL (A-B)	133,893,689
SCHEDULE - 13 Cost of Material Consumed		
Opening Stock		
Raw Materials	361,202,780	130,590,526
Packing Materials	2,363,000	1,487,614
	363,565,780	132,078,140
Purchases		
Materials including Packing Material	3,497,988,684	2,132,895,696
	3,861,554,464	2,264,973,836
Less :- Closing Stock Raw Materials	934,802,845	361,202,780
Less :- Closing Stock Packing Materials	2,701,010	2,363,000
TOTAL	2,924,050,609	1,901,408,056
SCHEDULE - 14 Manufacturing, Administrative & Other Expenses		
Wages & Salaries	41,828,515	21,283,375
Staff Welfare Exp.	1,367,976	1,359,001
Power & Fuel	31,625,165	16,460,105
Freight & Cartage	8,762,954	6,299,552
Stores & Spares Consumed	1,966,434	2,175,374
Travelling & Conveyance	3,010,757	1,873,445
Printing & Stationery	1,385,538	554,037
Directors Remuneration	2,175,000	1,020,000
Director's Sitting Fee	290,000	375,000
Postage ,Courier & Telephone	968,663	745,972
Insurance	1,308,861	426,637
Godwon Rent	837,173	120,100
Warehousing Charges	25,334,683	4,504,063
Repairs & Maintenance - Plant & Machinery	2,850,238	1,960,486
Repairs & Maintenance - Building	1,422,545	1,346,949
Repairs & Maintenance - Vehicle	1,141,876	753,072
Repairs & Maintenance - Others	582,845	546,919
Legal & Professional Fees	1,845,300	3,232,066
Office & Misc Expenses	1,201,554	1,480,911
Quality Control Expenses	1,537,149	139,444
Internal Audit Fee	330,450	339,500
Gratuity	408,752	(3,857)
Rebate & Discount	328,215	265,214
Preliminary Expenses Written off	-	895,262
Filing fees /R.O.C fee	206,609	255,997
Handling Charges	1,327,322	780,098
Brokerage & Commission	3,414,478	1,814,089
Advertisement & Sales Promotion	1,152,220	650,600
Audit fees	305,250	165,450
Mandi Tax/Trade Tax	12,315,678	11,141,672
TOTAL	151,232,200	82,960,533
SCHEDULE - 15 Financial Expenses		
Bank charges	10,819,307	5,189,516
Bank Interest	128,364,375	46,762,083
Interest Others	1,489,755	1,763,648
TOTAL	140,673,438	53,715,247

Schedule 16: Significant Accounting Policies & Notes to Accounts

Nature of Operations

Usher Agro Limited is engaged in the business of food processing, mainly basic food i.e. wheat and rice. The Company is having manufacturing facilities for rice and wheat milling.

1. Statement of Significant Accounting Policies

(a) Basis of Preparation

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy, if any, as discussed below in detail, are consistent with those used in the previous year.

(b) Changes in Accounting Policies

There is no change in any of the significant accounting policies during the year.

However, in the immediate preceding previous year, the company has adopted the Accounting Standard 26 which is mandatory from April 1, 2004. Accordingly the company has provided full balance amount of the preliminary expenses in the profit and loss account of immediate previous year, this change is not having any impact on the profit for the current year. In this connection total ₹ Nil (P.Y. ₹ 8,12,694/-) have been charged to the current years profit & loss account. Earlier years only 1/5th of total preliminary expenses incurred charged to Profit & Loss Account accordingly.

(c) Fixed Assets

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost (including pre-operative and trial & run expenses) of bringing the asset to its working condition for its intended use.

Assets under installation or under construction and the related advances as at the Balance Sheet date are shown as Capital work in progress.

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets till the period, such assets are ready to be put to use, the qualifying assets is one that take substantial period of time to get ready for its intended use or sale. Other borrowing cost not attributable to the acquisition of any capital assets are recognized as expenses in the period in which they are incurred.

(d) Depreciation

Depreciation is provided using the Straight Line Method as per the rates prescribed under schedule XIV of the Companies Act, 1956. Depreciation on addition/deletion to the assets during the year is provided on pro-rata basis.

(e) Impairment

i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factor. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

ii. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(f) Leases

Finance Lease Transaction:

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating Lease Transaction :

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

(g) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

(h) Inventories

Raw materials, components, stores and spares Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on FIFO basis.

Work-in-progress and finished goods Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(i) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

Income from Services

Revenues from Job work and stock processing of material are recognised as and when services are rendered.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(j) Deferred Revenue Expenditure

The Company has charged full balance amount of Preliminary expenses in the Immediate previous financial year to Profit & Loss Account and changed the policy for amortization of Preliminary expenses equally over a period of 5 years, beginning from the year in which they are incurred.

Expenses relating to public issue are amortized equally over a period of 5 years against security premium account.

(k) Foreign currency translation

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate at the end of the reporting period. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise. Exchange differences arising in respect of fixed assets acquired from outside India are capitalized as a part of fixed asset.

(l) Retirement and other employee benefits

i.) Retirement benefits in the form of Provident Fund is a defined contribution scheme and contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

ii.) Gratuity liability is defined benefit obligations and are provided for on the basis of an actuarial valuation made at the end of each financial year.

iii.) Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

(m) Income taxes

Tax expense comprises of current tax and deferred tax. Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier year.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(n) Expenditure on new projects and substantial expansion

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the Profit and Loss Account. Income earned during construction period is deducted from the total of the indirect expenditure.

All direct capital expenditure on expansion are capitalized. As regards indirect expenditure on expansion, only that portion is capitalized which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalized only if they increase the value of the asset beyond its original standard of performance.

(o) Segment Reporting Policies

Identification of segments :

The Company is operating in only one business segment i.e. food processing although the company is operational in different geographical regions i.e. Domestic and Overseas segment, hence there is no separate identification of primary segments and accounting thereof and geographical segment is identified as secondary segment.

(p) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(q) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Provision for expenditure relating to voluntary retirement is made when the employee accepts the offer of early retirement.

(r) Financial Commodity Derivatives Transaction

In respect of derivative contracts, premium paid, gain / losses on settlement and provision for losses for cash flow hedges are recognised in the Profit and Loss Account except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

(s) Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(t) Use of estimates

The preparation of the financial statements in conformity with Generally Accepted Accounting Principals require estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statement and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates and differences between actual results and estimates are recognized in the periods in which the results are known/materialize.

(u) Government Grants

Grants from the Government are recognized when there is reasonable assurance that the grant /subsidy will be received and all attaching conditions will be complied with.

Government Grants related to specific fixed assets has been deducted form the gross value of the assets concerned in arriving at their book value.

Government Grants of the nature of the revenue are recognised on a systematic basis in the profit and loss account over the periods necessary to match them with related costs which they are intended to compensate. Such grants either be shown under 'other income' or deducted in reporting the related expenses.

2. Notes to the Accounts

1. Segment Information

Business Segments :

The Company is operating in only one Business Segment i.e. Food Processing, hence no Segment Reporting is given for Business/Product Segment as primary segment as per Accounting Standard (AS) 17 on Segmental Reporting issued by the Institute of Chartered Accountants of India (ICAI)

Geographical Segments :

The Company is carrying on its operational activities in the domestic market i.e. India as well as in overseas market i.e. export hence geographical segment i.e domestic and overseas has identified as secondary segment and the details of segment results as per AS 17 issued by ICAI are as under :-

	2009-10 ₹	2008-09 ₹
Geographical Segment:*		
Revenue:		
India	3,22,30,84,473	2,08,95,02,799
Other Than India (on CIF basis)	19,69,56,356	Nil
Total	3,42,00,40,829	2,08,95,02,799

* since segment revenues are not material as combine to the total revenue for the year hence no other details in this context is required to be given as per As17.

2. Details of Security given for secured loans

(I). Term Loan and Corporate Loan :

● The Term Loans are secured by extension of first mortgage and charge on all immovable and movable assets of the company both present and future, subject to charges created to be created on specific movable assets in favor of bankers for securing working capital borrowings.

- Unconditional and irrevocable personal guarantee of Shri Vinod Kumar Chaturvedi and Shri Manoj Pathak, the Directors of the Company.
- Second charge on all current assets of the Company.
- A Corporate Loan of ₹ 15 Crore is secured against charge over the specific assets created out of the said loan.

(II). Working Capital Loans:

- First pari passu charge on the entire stock of inventories and receivables (Rice & Flour Mill) and other current assets of the company both present and future.
- Unconditional and irrevocable personal guarantee of Shri Vinod Kumar Chaturvedi and Shri Manoj Pathak, the Directors of the Company.
- Second pari-passu over the entire immovable fixed assets of the Company, both present and future, by way of equitable mortgage.
- Letter of Credit (LC)/Bank Guarantee (BG) facilities are also secured with predefined percentage of margin by way of fixed deposit with the respective banks.

(III). Equipment and Vehicle Loans:

- Equipment and Vehicle loans are secured against the respective equipment / vehicles financed through said loans.

3. Details of capital work in progress

(i) Capital Work in Progress as on 30th June, 2010 is ₹ 26,87,21,034/- (P.Y. ₹ 6,24,61,369/-) is related to Rice Milling capacity expansion project at Chhata Distt Mathura UP and other miscellaneous projects going on in the company.

CWIP includes advances given to the respective suppliers and the following expenses -

Preoperative Expenses of ₹ 2,62,89,695/- (P.Y. ₹ 4,77,606/-) comprising of conveyance, Generator Expenses, Legal & Professional Charges, Misc. Expenses, Postage & Courier, Printing & Stationery, Salaries, Staff Welfare, Telephone Expenses, Foreign Exchange Fluctuation, Traveling Expenses, Vehicle Running & Maintenance, Freight Charges, Licensing Fee and Interest, processing fee and related financial expenses for the Term Loan taken for the respective projects.

Total Borrowing cost of ₹ 52,88,130/- (P.Y. ₹ 3,04,96,389/-) which is related to the capital assets under construction having substantial period of completion is also included in CWIP to capitalized with the cost of respective assets as per accounting standard 16 (AS-16) on Borrowing Cost issued by ICAI.

4. Related Parties

(I). Names of related parties

Names of related parties where control exists irrespective of whether transactions have occurred or not	Nil
Names of other related parties with whom transactions have taken place during the year	
Associates	Usher Eco-Power Limited
Key Management Personnel	Mr. V. K. Chaturvedi (Managing Director) Mr. Manoj Pathak (Whole time Director)
Relatives of key management personnel	Mr. Samta Chaturvedi, wife of M.D. Mr. V. K. Chaturvedi
Enterprises owned or significantly influenced by key management personnel or their relatives	Usher Oils and Foods Limited Usher Infra Logic Limited Usher Capitals Limited Vedika Finance Pvt. Limited Narayani Nivesh Nigam Private Limited

Note: Loans taken from enterprises owned by key management personnel or significantly influenced by them, do not stipulate any repayment schedule and repayable on demand.

(II). Related Party Transactions

AMOUNT IN ₹

	Associates		Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)		Relatives of Key Management Personnel (Spouse, son, daughter, brother, sister, father, mother who may influence or be influenced by such personnel in his dealings with the Company)		Enterprises owned or significantly influenced by key management personnel or their relatives		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Employee Benefits for Key Management Personnel										
Mr. V. K. Chaturvedi -			13,00,000	6,00,000	-	-			13,00,000	6,00,000
Mr. Manoj Pathak -			8,75,000	4,20,000	-	-			8,75,000	4,20,000
Share Application Money received										
Narayani Nivesh Nigam Pvt. Ltd.	5,15,06,250	-							5,15,06,250	-
Usher Capitals Limited	5,53,50,000	-							5,53,50,000	-
Share Application Money Refund										
Mr. V. K. Chaturvedi			2,24,16,500	-					2,24,16,500	-
Loans Taken										
Mrs Samta Chaturvedi	-	-	-	-	-	48,00,000	-	-	-	48,00,000
Loans Repayments -										
Mrs. Samta Chaturvedi	-	-	-	-	-	48,00,000	-	-	-	48,00,000
Vedika Finance (P) Ltd.	-	-	-	-	-	-	34,91,950	25,08,050	34,91,950	25,08,050
Rent Income (office)										
M/s Usher Eco Power Limited	1,20,000	1,36,333	-	-	-	-	-	-	1,20,000	1,36,333
M/s Usher Infra Logic Limited	-	-	-	-	-	-	1,30,000	-	1,30,000	-
M/s Usher Oils & Foods Limited	-	-	-	-	-	-	1,30,000	-	1,30,000	-
Rent Expenses (Trucks)										
M/s Usher Infra Logic Limited	-	-	-	-	-	-	22,25,000	-	22,25,000	-
Investments (including Share Application Money)										
Usher Eco Power Limited	10,11,20,000	3,05,25,000	-	-	-	-	-	-	10,11,20,000	3,05,25,000
Usher Oils & Foods Limited	-	-	-	-	-	-	49,40,000	-	49,40,000	-
Usher Infra Logic Limited	-	-	-	-	-	-	15,00,000	13,00,000	15,00,000	13,00,000
Balances Outstanding at the year end*										
Mr. V. K. Chaturvedi	-	-	68,219	3,760	-	-	-	-	68,219	3,760
Mr. Manoj Pathak	-	-	92,790	-	-	-	-	-	92,790	-
Vedika Finance (P) Ltd.	-	-	-	-	-	-	-	34,91,950	-	34,91,950
Totals	20,80,96,250	3,06,61,333	2,47,52,509	10,23,760	-	96,00,000	1,24,16,950	73,00,000	24,52,65,709	4,85,85,093

* excluding investments and share application money received and paid.

5. Leases

In case of assets taken or given on lease

Finance Lease :

There are no finance lease transactions in the reporting period hence no disclosure is required to be made under AS 19 - Accounting for Lease, issued by the ICAI

Operating Lease :

(i) Office premises, godwons and warehouses are obtained on operating lease basis during the financial year in relation of business. The lease terms are normally for 11 months and renewable at the option of the Company. There are no restrictions imposed in lease arrangements. There are no subleases.

Particulars	Operating Lease	
	₹	₹
	2009-10	2008-09
Lease payments for the year	2,61,71,856	46,24,163
Minimum Lease Payments :		
Not later than one year	65,43,289	43,75,000
Later than one year but not later than five years -		-
Later than five years -		-
	3,27,15,145	89,99,163

(ii) The company has given office premises on operating lease basis for a period of less than one year. The lease rental recognized in the profit & loss account for the year ended 30th June, 2010 are ₹ 3,80,000/- (P.Y. ₹ 1,20,000/-). The future rent receivable on operating lease are as follows:-

Particulars	Not Later than one year	Later than one year but not later than 5 years	Later than 5 years
Minimum Lease Rental Receivable	1,10,000	-	-

6. Impairment of assets

As on the Balance Sheet date the carrying amounts of the assets net of accumulated depreciation is not less than the recoverable amount of those assets. Hence, in the opinion of the management, there is no provision for impairment loss on the assets of the Company is required to be made under Accounting Standard-28 (Impairment of Assets) issued by the ICAI.

7. Capital Commitments

(₹ In lacs)

Particulars	2009-10	2008-09
Estimated amount of contracts remaining to be executed on capital account and not provided for.	1,071.73	154.23
	1,071.73	154.23

8. Provisions and Contingencies

(₹ in lacs)

	2009-10	2008-09
Contingent Liabilities not provided for		
Letter of Credit issued by the Bankers of the Company in favour of suppliers (Fixed deposits in the form of margin money including interest thereon of ₹86.61Lacs (P.Y. ₹35.21 Lacs) have been kept with respective bankers for the said letter of credit)	277.63	285.68
Letter of Credit issued by the Bankers of the Company for import of capital goods* * Converted on the foreign exchange conversion rate prevailing on the date of Balance Sheet.	637.69	23.76
Bank guarantees issued by the bankers of the Company for EPCG License (Fixed deposits of ₹ 16.80 Lacs (P.Y. ₹ 9.80) have been kept with respective Banks for the said bank guarantees)	16.80	9.80
Sales Tax Liability in respect of F.Y. 2003-04 and 2004-05 for which the company has gone in to the appeals with the appropriate forums.	-	44.94
Sales Tax Dispute in respect of F.Y. 2004-05 for which the department has gone in to the appeals with the Sales Tax Appellate Tribunal.	6.10	-
Custom Duty saved on Import of Capital Goods under EPCG Licence Scheme (Export obligation under the said EPCG License is ₹509.08 Lacs)	60.86	-
	999.08	364.18

9. The Balances of Debtors, Creditors, Loans & Advances and other parties are subject to confirmation and reconciliation, if any.
10. In the opinion of the Board the Current Assets, Loans & Advances are approximately of the value stated if realized in the ordinary course of business and the provisions of all known liabilities are adequate.
11. The Company has not received any intimation from its 'suppliers' regarding their status under the Macro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act can not be ascertained and accordingly no disclosures have been given in this regards.
12. Benefits to Employees : As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below :

(i) Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expenses for the year are as under :

Particulars	2009-10	2008-09
	₹	₹
Employer's contribution to Provident Fund, ESIC and Group Insurance	15,18,254	3,48,605

(ii) Changes in the present value of the deferred benefit obligation are as follows:

Particulars	2009-10	2008-09
	₹	₹
Opening defined benefit obligation	12,05,645	12,09,502
Interest cost	96,452	1,05,831
Current service cost	7,70,256	5,24,248
Past Service cost(Non Vested Benefits)	15,249	-
Past Service cost (Vested Benefits)	2,66,936	-
Benefit paid	-	-
Actuarial (gain)/losses on obligation	(7,32,517)	(6,33,936)
Closing defined benefit obligation	16,22,021	12,05,645

(iii) Changes in the fair value of plan assets are as follows:

Particulars	2009-10	2008-09
	₹	₹
Opening fair value of plan assets	-	-
Expected return	-	-
Contributions by employer	-	-
Benefits paid	-	-
Actuarial gains / (losses)	-	-
Closing fair value of plan assets	-	-

(iv) Fair value of plan assets:

Particulars	2009-10	2008-09
	₹	₹
Fair value of plan assets at the beginning of period	-	-
Actual Return of plan assets	-	-
Contributions	-	-
Benefits paid	-	-
Fair value of the plan assets at the end of period	-	-
Funded status (including unrecognized past service cost)	(16,22,021)	(12,05,645)
Excess of actual over estimated return on plan assets	(16,22,021)	(12,05,645)

(v) Actuarial gain/(loss) recognized

Particulars	2009-10	2008-09
	₹	₹
Actuarial gain/(loss) for the period – obligation	7,32,517	6,33,936
Actuarial gain/(loss) for the period – plan assets	-	-
Total gain/(loss) for the period	7,32,517	6,33,936
Actuarial gain/(loss) recognized for the period	7,32,517	6,33,936
Unrecognized actuarial gains / (loss) at the end of the period	-	-

(vi) Past Service cost recognised

Particulars	2009-10	2008-09
	₹	₹
Past service Cost – (non vested benefits)	15,249	-
Past Service Cost – (vested benefits)	2,66,936	-
Average remaining future service till vesting of the benefit	2	-
Recognized Past service Cost – (non vested benefits)	7,625	-
Recognized Past Service Cost – (vested benefits)	2,66,936	-
Unrecognized Past Service Cost – non vested benefits	7,624	-

(vii) The amount recognised in the Balance Sheet

Particulars	2009-10 ₹	2008-09 ₹
Present value of obligation at the end of the year	16,22,021	12,05,645
Fair value of plan assets at the end of the year	-	-
Funded status	(16,22,021)	(12,05,645)
Excess of actual or estimated	-	-
Unrecognized actuarial gains / (loss)	-	-
Unrecognized Past Service cost Non Vested Benefit	7624	-
Net assets/(liabilities) recognized in the Balance Sheet	(16,14,397)	(12,05,645)

(viii) Expenses recognized in the Profit & Loss account

Particulars	2009-10 ₹	2008-09 ₹
Current service cost	7,70,256	5,24,248
Interest cost on benefit obligation	96,452	1,05,831
Expected return on plan assets	-	-
Net actuarial(gain) / loss recognised in the year	(7,32,517)	(6,33,936)
Past service cost- Non Vested Benefits	7,625	-
Past Service cost -Vested Benefits	2,66,936	-
Expenses recognized in the Profit & Loss A/c	4,08,752	(3,857)

Balance sheet
(ix) Details of Provision for gratuity

Particulars	2009-10 ₹	2008-09 ₹
Net liability at the beginning of the year	12,05,645	12,09,502
Expenses recognized during the year	4,08,752	(3,857)
Contribution paid during the year	-	-
Net liability at the end of the year	16,14,397	12,05,645

x) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	2009-10 ₹	2008-09 ₹
Mortality table (LIC) duly modified	1994-96	1994-96
Interest/Discount rate	8.00%	8.00%
Expected rate of return on plan assets -		
Increase in Compensation cost	10.00%	10.00%
Employee turnover	1.00%	1.00%
Expected average remaining service	22.91 Yr	21.80Yr

13. Derivative Instruments and Unhedged Foreign Currency Exposure
Derivative Instruments:

The Company uses commodities / forward contracts to hedge its risk associated with fluctuation in prices of food grain / commodities.

The company does not use forward contract for speculative purposes.

In the forward contract entered by the Company, where the counter party is a recognised commodities exchange. The hedging / forward contracts mature generally between one to six months. The company considers the risk of non performance by the counter party as negligible.

Outstanding short term commodities forward contracts entered into by the Company at the year end are as under:

As at	Particulars of Derivatives	No. of Lots	Each Lot Size
30-06-2010	Wheat	5,240	10 MT
30-06-2009	Nil	Nil	Nil

Particulars of Unhedged foreign currency exposure as at the Balance Sheet date

Particulars	Amount
Buyers Credit for Capital Goods	₹NIL {P.Y. ₹4,69,35,245/- (JPY 94.20 Million)}
Creditors for Capital Goods	₹2,16,88,945/- (USD 4,66,978.25) {P.Y.(Euro 34,500) (₹23,76,424/-)}
Foreign Currency Loan	₹24,98,13,566/- (USD 53,70,569.28) {P.Y. Nil}
EEFC Account	₹68,16,821/-(USD 1,49,179.84) {P.Y. Nil}
Foreign Debtors	₹1,29,54,840/-(USD 2,78,926.83) (P.Y. Nil)
Advance for Import of Capital Goods	₹2,67,06,048/- (USD 5,75,000.00) {P.Y. ₹Nil (USD Nil)}

* Converted at the foreign exchange conversion rate prevailing on the date of Balance Sheet.

14. Earning Per Share (EPS)

(₹In Lacs except EPS and nos. of shares)

Particulars	2009-10	2008-09
i) Net Profit after tax as per profit and loss account	2,352.63	1,484.65
ii) Net Profit attributable to equity share holders	2,352.63	1,484.65
iii) Net Profit before exceptional item	2,352.63	1,484.65
iv) Weighted Average number of equity shares used as denominator for calculation of Basic EPS	2,15,71,828	2,04,49,739
v) Weighted Average number of equity shares used as denominator for calculation of Diluted EPS*	2,42,84,157	2,04,49,739
vi) Basic and Diluted EPS		
- Basic	10.91	7.26
-Diluted	9.69	7.26
vii) Face Values per equity share	10	10

15. Provision for Taxation
a) Current Tax

Provision for current tax has been made as per provisions of the Income Tax Act, 1961, after considering deduction/exemptions, if any, available to the Company under the said Act. Further the provision for current tax has been made upto 31st March, 2010, financial year ending as per the said Act.

b) Deferred Tax

As per Accounting Standard 22 on 'Taxes on Income' - the details of deferred tax liabilities/assets are as under:-

Particulars	2009-10 ₹	2008-09 ₹
Deferred Tax Liabilities		
Difference between carrying Amount of Fixed assets in the books and the Income Tax Return	5,61,68,684	4,29,06,398
Deferred Tax Assets		
Provision for Gratuity	1,38,934	(1,311)
Preliminary Expenses	(72,663)	2,37,336
Others disallowances under the Income Tax Act, 1961		
Total	66,271	2,36,025
Net Deferred Tax Liability	5,61,02,413	4,26,70,373
Net Deferred Tax (Credit)/Charge to Profit & Loss A/c	1,34,32,040	2,58,57,467

16. Auditors Remuneration is as under:

Particulars	2009-2010 ₹	2008-2009 ₹
Audit Fees	2,26,745	1,00,000
Tax Audit Fees	50,000	50,000
Certification and other matters	-	-
Service Tax	28,505	15,450
Total	3,05,250	1,65,450

17. Changes in Share Capital

On 15th December 2009 the company has issued 60,00,000 warrants on preferential basis to the promoters and others to raise ` 2,460 lacs through preferential allotment.

The above preferential issue has been done inter alia to partly fund the ongoing rice milling capacity expansion project of the company at Chatta, U.P. and investment in group / associate companies

On 10th March, 2010, out of said warrants 10,00,000 warrants were converted into 10,00,000 equity shares of ₹ 10 each fully paid up and the said shares are now listed with The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited.

18. Subsidiary Company

As on date of this report, the company has one subsidiary company namely Usher Eco Power Limited as a result of allotment of 91,70,000 equity shares of ₹ 10 each fully paid up allotted to the company on 22nd August, 2010 by Usher Eco Power Limited, after the said allotment the company holds 70.18% stake in Usher Eco Power Limited. Since Usher Eco Power Limited has become subsidiary of the company after the balance sheet date hence preparation of the consolidated financial statement as prescribed in AS-21 is not required.

19. Foreign Exchange Fluctuation

The Company has opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standard) Amendment Rules 2009 relating to Accounting Standard 11(AS-11) notified by Government of India on 31st March, 2009. Accordingly the effect of exchange differences on foreign currency loans of the company is accounted by addition or deduction to the cost of the assets so far it relates to the depreciable capital assets. The total amount of foreign exchange fluctuation (loss) ₹2,38,801/- (P.Y. NIL) has been added in Preoperative Expenses on this account.

20. Government Subsidy

During the financial year 2009-10, company has received a government subsidy of ₹ 20.00 Lacs (P.Y. Nil) from Government for 1 MW Captive Power Plant situated at Mathura and the said subsidies has been reduced from the cost of said power plant.

21. Supplementary Statutory Information
21.1. Directors' Remuneration

Particulars	2009-10 ₹	2008-09 ₹
Salary and Perquisites	21,75,000	10,20,000
	21,75,000	10,20,000

21.2 Computation of Net Profit in accordance with section 349 of the Companies Act, 1956 for calculation of commission payable to directors

Particulars	2009-10	2008-09
Profit as per Profit and Loss Account	23,52,62,674	14,84,65,424
<i>Add:</i>		
Directors' remuneration	21,75,000	10,20,000
(Loss)/Profit on sale of fixed assets as per Section 349 of the Companies Act, 1956	-	-
Provision for doubtful debts and advances	-	-
<i>Less:</i>		
Profit on sale of fixed assets (net) as per Profit and Loss account	-	-
Net profit as per Section 349 of the Companies Act, 1956	23,74,37,674	14,94,85,424
Maximum permissible commission to Managing and Whole time Directors at 10% of the net profits as calculated above	2,37,43,767	1,49,48,542
Maximum permissible commission to other directors at 1% of the net profits as calculated above	23,74,377	14,94,854
Actual commission paid to the Managing and Whole time Director	Nil	Nil
	26,118,144	1,64,43,396

21.3 Earnings in foreign currency (Cash/Accrual basis) Export Sales on FOB Basis ₹ 19,48,36,214/- (P.Y. Nil)
21.4 Expenditure in foreign currency (Cash/Accrual basis)

Particulars	2009-10 ₹	2008-09 ₹
Interest on Buyers Credit	7,42,039	4,24,171
Foreign LC Charges	9,61,402	5,71,248
Professional Fee	1,19,371	1,04,943
Travelling Expenses	18,53,517	3,64,847
Interest payable / Paid on ECB	3,75,865	-
	40,52,194	14,65,209

21.5 Value of imports calculated on CIF basis Capital goods ₹ 3,76,19,128/- (P.Y. ₹ 1,77,25,061)
21.6 Net dividend remitted in foreign exchange

(All are in ₹ except nos.)

Particulars	2009-10	2008-09
Number of Non-resident shareholders	210	-
Number of Equity Shares held by them	21,46,508	-
Amount of dividend paid (Gross), TDS ₹ Nil	17,34,527	-
Year to which dividend relates	2009-10	-

22. Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956
22.1 Licensed Capacity, Installed Capacity and Actual Production

Class of Goods	Unit	Licensed Capacity		Installed Capacity		Actual Production	
		2010	2009	2010	2009	2010	2009
Paddy Milling	MT	N.A.	N.A.	2,52,000	1,57,600	1,29,299	74,487
Wheat Processing	MT	N.A.	N.A.	75,000	75,000	50,626	69,282

Notes: (i) The products of the company are exempt from licensing procedures.

(ii) Installed capacity, being technical matter as certified by the Management and the auditors relied upon the same.

A Details of Materials, Consumption & Inventory :				
Particulars	Qty in Qtls		Value	
	2009-10	2009-10	2008-09	2008-09
A. Opening Stock				
Paddy & Dehusked Raw Rice	1,66,741	18,55,99,193	20,022	1,90,20,463
Finished Rice	69,385	12,03,87,255	47,752	9,07,29,664
Wheat	1,57,556	17,56,03,587	101,390	11,15,70,063
Husk	12,690	25,25,400	1,692	3,04,483
Bran	1,996	68,74,530	13,287	74,60,404
Wheat Products	1,29,622	1,47,226,644	11,974	1,48,62,627
Packing Material	-	23,63,000	-	14,87,614
B Purchases				
Paddy & Dehusked Raw Rice	15,21,333	2,95,16,98,254	891,592	1,22,99,43,389
Wheat	4,19,525	50,68,46,568	748,983	89,10,64,824
Packing Material	-	3,94,43,862	-	1,18,87,483
C Material consumed				
Paddy & Dehusked Raw Rice	12,92,991	228,15,32,037	744,872	1,06,33,64,659
Wheat Consumed	5,06,263	60,34,12,720	692,818	82,70,31,300
Packing Material Consumed	-	3,91,05,852	-	1,10,12,097
Husk Consumed	86,780	-	-	-
D Sales				
Rice	9,51,603	2,48,41,88,273	6,12,266	1,25,35,12,344
Wheat Product	6,41,142	88,58,67,763	5,80,055	80,97,27,953
Bran	57,500	4,09,27,822	23,755	1,58,00,275
Husk	51,315	90,56,972	51,265	1,04,62,228
E Closing Inventories				
Finished Rice	1,67,225	39,54,99,497	69,385	12,03,87,255
Husk	15,425	26,22,250	12,690	25,25,400
Paddy & Dehusked Raw Rice	3,95,084	85,57,65,410	1,66,741	18,55,99,193
Bran	9,196	57,31,885	11,996	68,74,530
Wheat	70,818	7,90,37,435	1,57,556	17,56,03,587
Wheat Product	5,915	70,53,886	1,29,622	14,72,26,644
Packing Materials	-	27,01,010	-	23,63,000

23. Previous Year Comparatives

Previous year's figures have been regrouped and rearranged where necessary to conform to this year's classification.

As per our report of even date
FOR PAREKH SHAH & LODHA
 Chartered Accountants
 Firm Registration No. 107487W

for and on behalf of the Board

Ashutosh Dwivedi
 Partner
 Membership No. 410227
 PLACE : Mumbai
 DATE :30th August, 2010

Saurabh Mehta
 Company Secretary

V. K. Chaturvedi
 Managing Director

Manoj Pathak
 Wholetime Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1 Registration Details
 Registration No. State Code
 Balance sheet date

2 Capital raised during the year (Amount in Rs. 000)

Public Issue Right Issue
 Bonus Issue Private Placement

3 Position of Mobilisation and Deployment of fund (Amount in Rs.000)

Total Liabilities Total Assets

Sources of Fund

Paid up Capital Reserves & Surplus
 Secured Loans Unsecured Loans
 Share Application Money Other Tax Liability

Application of Funds

Net fixed Assests Investments
 Net Current Assests Misc Expenditure
 Accumalated Losses

4 Performance of Company (Amount in Rs. 000)

Turnover Total Expenditure
 Profit/Loss Before Tax Profit/Loss after Tax
 (Please tick appropriate box + for profit, - for loss)
 Earning per Share in Rs. Dividend Rate

5 Generic Names of Three Principle Products/Services of Company (As per Monetary Terms)

Item Code No.
 Product Description

As per our report of even date
FOR PAREKH SHAH & LODHA
 Chartered Accountants
 Firm Registration No. 107487W

for and on behalf of the Board

Ashutosh Dwivedi
 Partner
 Membership No. 410227
 PLACE : Mumbai
 DATE :30th August, 2010

Saurabh Mehta
 Company Secretary

V. K. Chaturvedi
 Managing Director

Manoj Pathak
 Wholetime Director



*Large varieties of excellent
"Non Basmati & Basmati rice"*

