USHER®
AGRO LIMITED

15th Annual Report

2010 - 2011

VISION

To emerge as one of the India's leading agro-processing companies with a special focus on the basic foods segment (Rice and Wheat). We envision a refreshing green, the personality of **USHER**, to be the symbol of nation's booming economy and the indication of the affluence of world agriculture.

MISSION

- Maximize creation of wealth, value and satisfaction for the stakeholders.
- Attain leadership in developing, adopting and assimilating state of the art technology for competitive advantage.
- Cultivate high standards of business ethics and Total Quality Management for a strong corporate identity and brand equity.
- We intend to emerge as the one stop source for all the basic food products in India.

Report Browser

BOARD OF DIRECTORS

Promoter Directors :

Dr. V. K. Chaturvedi	–	Managing Director
Mr. Manoj Pathak	–	Whole Time Director

Non - Executive Independent Directors :

Mr. Vijay Ranchan	–	Director
Mr. Ajay Prakash Arora	–	Director
Dr. Shri Prakash Arora	–	Director
Mr. N. Krishnan	–	Nominee Director - IDBI Bank Ltd.

COMPANY SECRETARY

Mr. Saurabh Mehta

AUDITORS

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.
Cooperatieve Centrale Raiffeisen-boerenleen Bank (RABO Bank International Singapore)

REGISTERED OFFICE

422, Laxmi Plaza, Laxmi Ind. Estate,
New Link Road, Andheri (W),
Mumbai - 400 053.
Tel. No. : (022) 39381100
Fax : (022) 39381123
Email - usherinvestors@usheragro.com
Website - www.usheragro.com

PLANTS

MATHURA - U.P.
239, Mohali, Off Delhi-Agra National Highway,
Mathura - 281 004 (U.P.)
Tel. No. : 0565 - 2460421, 3205037
Fax : 0565 - 2461068

CHHATA DIST. - MATHURA - U.P.
Plot No. 158, Gohari,
Delhi-Agra Highway, Chhata,
Dist. Mathura (U.P.)
Tel. No. : 0566 - 2242101
Fax : 0566 - 2242043

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

MANAGING DIRECTOR'S MESSAGE

Dear Fellow Stakeholders,

We look back with pride and satisfaction at what we have achieved in the last year. The year has shown its fantastic side for the Indian Agriculture and Usher Agro with some great developments across the sector auguring well for the markets, corporates and investors.

In this journey, dear shareholders, you and we, have been fellow-travelers. We are thankful to all the customers and stakeholders for supporting us in our inexorable path of achieving the best quality at the Usher Agro Ltd. Your support and confidence in our company is the reason of our good performance for the year. The initiatives taken by the company for achieving sustainable growth have begun yielding encouraging results.

Let us take the opportunity to share with you the achievements of the year ended on 30/6/2011 and future strategies and actions that we plan to take in the coming year.

THE MILESTONES AND CHALLENGES

Our spirit and the timely execution of the project enhancement made us to tackle the challenges and gain profits from it.

The Company realized robust revenue growth of 64% during the year and EBITDA growing by 57% which reinforces the company's persistence to achieve higher growth trajectory, year on year. This financial year, profit after tax (PAT) has registered remarkable growth of 51% as compared to last fiscal. The PAT this year has reached 35.42 crore mark which was 23.53 crore in last fiscal. Simultaneously, the earnings per share have gone upto 11.98 which was 10.91 in the last fiscal.

Usher Agro Ltd. boast of being one of the leading agri business houses of India and the biggest rice miller in the state of UP and Bihar.

We proudly announced the commissioning of our new rice milling unit at Chhata on 28th March, 2011 with capacity of 2,91,600 MTPA. After the said expansion the total rice milling capacity of the Chhata Plant is 4,86,000 MTPA and total rice milling capacity of the company is 5,43,600 MTPA. Also after the said expansion your company is now having the capacity to process and produce Par Boiled Rice 4,50,000 MTPA, which is one of the largest in the country. This expansion project was one of the largest and the fastest executed expansion project in the rice milling industry at one single location in the country.

JOURNEY AHEAD

As the Agriculture sector in India contributes nearly twenty per cent to the gross domestic product (GDP), agricultural products not only supply raw materials to agrarian-based industries but also account for about ten per cent of India's export earnings.

Recognized as a 'sunrise industry' with a mission to make India the Food Basket of the world, Agro industries vision has set out to achieve what has been achieved in the field of computer technology earlier.

The growth of the agriculture and allied sectors was around 5.4 per cent during 2010-11 contributed by a good monsoon, as per the Economic Survey 2010-11. According to the Economic Survey, the need for a second Green Revolution has become imperative, and here the green revolution shall be defined by the additions of the food processing sector to the core agriculture, as understood in the common parlance.

The Centre lifted an over three year old ban on non-basmati rice exports and had permitted shipments of two million tonne of rice. This will impact us positively and increase our exports. When we are getting the support from the government as well as from our well wishing customers, there is no looking back and the only thing remains is to move forward.

At Usher Agro, we shall be continuously striving to increase potential for uplifting agricultural economy by exposing traditional Indian agriculture to modern technologies, creating large scale processed food manufacturing and food chain facilities and consequently generate employment and export earnings.

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.

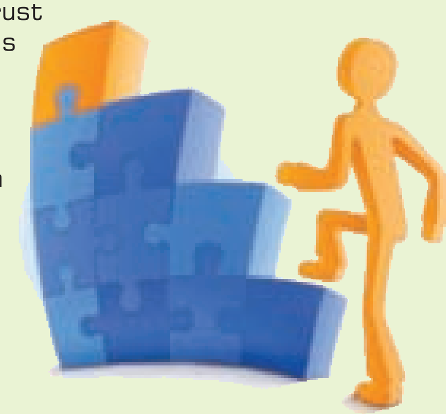
Robust systems and procedures, strong corporate governance and dedicated team of committed professionals have been so developed and enhanced to ensure seamless operations across the organization. And that combined with the integral qualities of commitment, hardwork, experience and knowledge of our talented 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 fellowdirectors, 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 and lead us to take a commanding position in year to come and emerge as a significant player of Indian basic food processing sector.



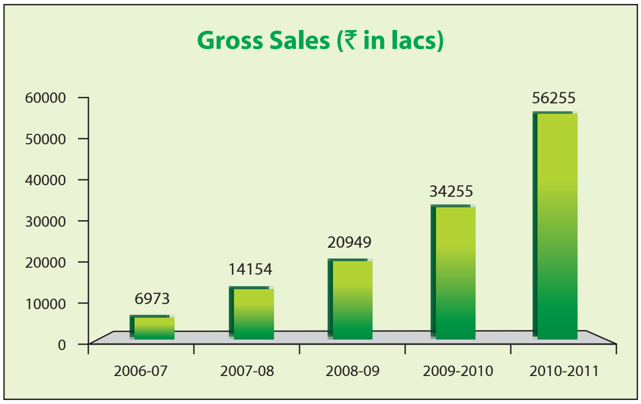
Dr. V.K. Chaturvedi
Managing Director

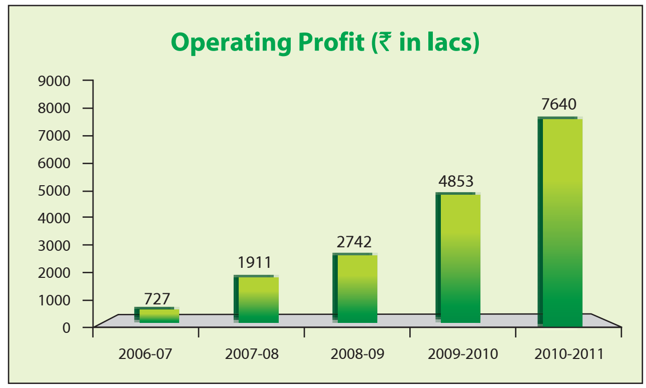
FINANCIAL HIGHLIGHTS

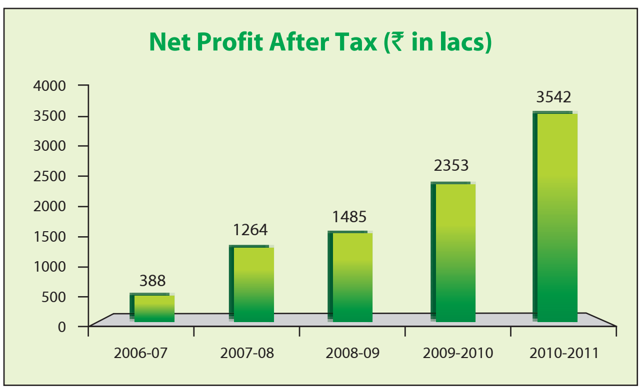
(₹ in lacs)

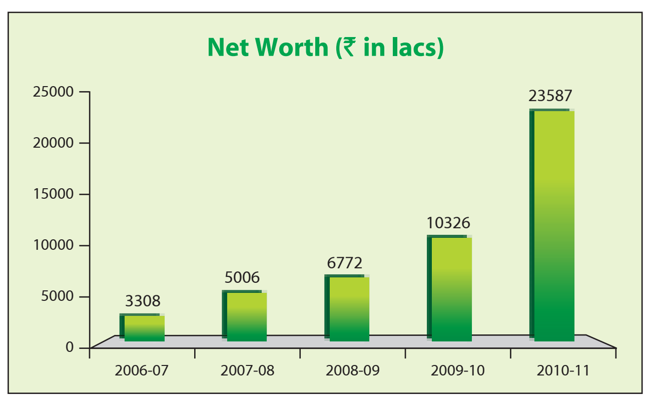
OPERATIONAL REVIEW	2010-11	2009-10	2008-09	2007-08	2006-07
Gross Sales	56255	34255	20949	14154	6973
EBIDTA	7640	4853	2742	1911	727
Depreciation	870	535	233	159	78
Bank Interest & Charges	2184	1407	537	195	177
PBT	4586	2911	1972	1557	472
PAT	3542	2353	1485	1264	388
FINANCIAL STRUCTURE	**2010-11**	**2009-10**	**2008-09**	**2007-08**	**2006-07**
Net Fixed Assets	15373	7794	7560	2453	1845
Capital Work in Progress	2043	2687	625	2727	1030
Investment	1794	1502	427	109	0
Net Current Assets	37455	20323	8001	3847	1972
Miscellaneous Expenditure	0	32	65	106	137
Total Assets	56665	32338	16678	9242	4984
Net Worth	23587	10326	6772	5006	3308
Borrowings	32206	21451	9477	4068	1560
Deferred tax liability	872	561	427	168	115
Total Liabilities	56665	32338	16676	9242	4983
MARGINS & RATIOS	**2010-11**	**2009-10**	**2008-09**	**2007-08**	**2006-07**
EBIDTA Margins (%)	13.58	14.16	13.09	13.50	10.43
PAT Margins (%)	6.30	6.87	7.09	8.93	5.56
Debt-to-Equity (times)	0.40	0.89	0.64	0.47	0.22
Interest Cover (times)	3.10	2.67	3.76	7.48	3.19
Return on Net worth (%)	15.02	22.78	22.13	25.80	12.24
Return on Capital Employed (%)	11.95	17.62	15.05	13.52	9.14

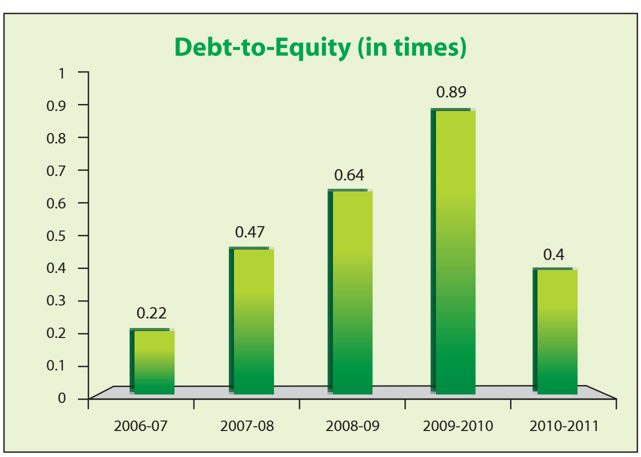
OPERATIONAL PERFORMANCE











A Glimpse of Achievements

We proudly celebrate the commissioning of our new rice milling unit at Chhata(U.P.). This makes USHER the largest rice miller in U.P. with the total milling capacity of 5,43,000 MTPA and the Par Boiling Capacity of 4,50,000 MTPA which is one of the largest in India.


MILESTONES
1996 First project of Rice Milling was set up at Mathura (U.P.)
2003 Implemented Automated Modernized Rice Milling at its second unit in 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
2011 Successfully commissioned 2,91,600 MTPA Capacity plant at Chhata - UP
MILESTONES

DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting Fifteenth Annual Report together with Audited Statement of Accounts for the year ended 30th June, 2011.

1. FINANCIAL RESULTS

(₹ in lacs)

Particulars	30.06.2011	30.06.2010
Sales & Other Income	**56254.50**	34254.90
Profit before Financial Charges & Depreciation	**7639.86**	4853.49
Less : Financial Charges	**2184.02**	1406.73
Cash Profit for the year	**5455.84**	3446.75
Less : Depreciation	**870.09**	534.71
Profit before Tax	**4585.76**	2912.04
Less : Provision for Tax including Fringe Benefit Tax	**698.45**	425.90
Less : Provision for Deferred tax	**311.11**	134.32
Less : Short Provision for tax of earlier years.	**33.74**	(0.80)
Profit after Tax	**3542.45**	2352.63
Balance brought forward from Previous Year	**4708.47**	2816.29
Balance available for Appropriation	**8250.91**	5168.92
Appropriations :		
Proposed Dividend	**570.89**	222.62
Corporate Dividend Tax	**97.02**	37.83
Transferred to General Reserve	**400.00**	200.00
Earning per Share (EPS)	**11.98**	10.91
Balance carried to Balance Sheet	**7183.01**	4708.47

During the year your Company has achieved stabilization of the expanded capacity of rice milling of 194400 MTPA, of previous years and as a result of which your company achieved a remarkable growth 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 ₹ 56254.50 Lacs from ₹ 34254.90 lacs in the previous year, recording a growth of 64%. The Company's Profit before tax increased to ₹ 4585.76 Lacs from ₹ 2912.04 Lacs in the previous year reflecting a healthy growth of 57%. Profit after tax also increased to ₹ 3542.45 Lacs against that of ₹ 2352.63 Lacs in previous year, registering a growth of over 50%.

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

2. APPROPRIATIONS

Dividend

The Board of directors are pleased to recommend a Dividend of ₹ 1.50/- per equity share (i.e. 15%) for the financial year ended 30th June, 2011. The total payout on account of the dividend including corporate dividend tax will be ₹ 667.91 Lacs.

Transfer to Reserves

The Company has transferred ₹ 400 Lacs (P.Y. ₹ 200 Lacs) in the General Reserves during the financial year under review in pursuance to the provisions of Companies (Transfer of profits to Reserves) Rules, 1975.

3. SUBSIDAIRY COMPANY

The company has one subsidiary company, Usher Eco Power Limited which is into Power Generation Activity. The company is setting up a 16 MW Rice husk based Co-generation Eco friendly power plant at Chhata Dist- Mathura, U.P. which will be using Bio Mass i.e. Rice husk as a fuel. This Power Plant is eligible for CDM benefits. The project is under implementation and expected to be completed by the end of Sep. 2011. The subsidiary company's financial statement is attached to this annual report.

4. COMMENCEMENT OF COMMERCIAL PRODUCTION OF NEW RICE MILLING CAPACITY AT CHHATA PLANT

On 28th March, 2011 the Company commenced commercial production of new rice milling facility at Chhata plant with a capacity of 2,91,600 MTPA. After said expansion the total rice milling capacity of the Chhata Plant is 4,86,000 MTPA and total rice milling capacity of the company is 5,43,600 MTPA. Out of the said total Rice Milling Capacity and post expansion now the company is having the capacity to process and produce Par Boiled Rice 4,50,000 MTPA, which is one of the largest in the country. This expansion project was one of the largest and the fastest executed expansion project in the rice milling industry at single location in the country.

5. QUALIFIED INSTITUTIONAL PLACEMENT

On 2nd December, 2010, the Company issued and allotted 1,07,96,800 equity shares of ₹ 10/- each fully paid up through Qualified Institutional Placement to Qualified Institutional Buyers at a price of ₹ 92.62/- per share at a premium of ₹ 82.62/- per share. The issue was fully subscribed. The issue was approved by the members in their Extra Ordinary General Meeting held on 30th August, 2010. The equity shares were listed on The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited on 7th December, 2010.

6. CHANGES IN SHARE CAPITAL

On 30th August 2010 the Company in its Extra Ordinary General Meeting increased its Authorised Share capital from ₹ 34,00,00,000/- divided in to 3,40,00,000 Equity shares of ₹ 10/- each to ₹ 40,00,00,000/- divided in to 4,00,00,000 Equity shares of ₹ 10/- each.

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 2,91,600 MTPA rice milling capacity expansion project of the company at Chhata, U.P. and investment in group / associate companies.

Out of said warrants 50,00,000 warrants were converted into 50,00,000 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.10,00,000 warrants were already converted in 10,00,000 equity shares in the previous year.

7. PLANNING TO MOVE PULSES MARKET

Presently the Company is in the process to finalize the plans to install capacity for pulses and pulse flour milling at Chatta, Dist. Mathura, U.P. We are planning to set up facilities for various pulses processing with cumulative capacity of 100,000 MTPA and a Besan Mill with capacity of 40,000 MTPA. Usher will cover all variety of pulses

8. BUSINESS EXPANSION, DEVELOPMENTS & FUTURE OUTLOOK

A. Modernization and Capacity Expansion of Rice Milling facilities at Buxar- Bihar

Rice Milling process and technology has seen good amount of progress during the last decades. In keeping pace with the advancement in the technology, we are modernizing the existing rice milling facility at Buxar and also adding additional capacity of 46,800 MTPA rice milling facility at the same complex thereby making the total rice milling capacity at Buxar to 93,600 MTPA.

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

With the above rice milling capacity expansion project at Buxar- Bihar, availability of rice husk, a bye-product of rice milling, will increase. To take the advantage of the availability 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 with better efficiencies.

C. Expansion of Wheat milling Capacity at Mathura

Currently, we are having 75,000 MTPA wheat milling capacity at Mathura and your company is planning to expand its existing wheat milling capacity by 50,000 MTPA to make wheat milling capacity of 1,25,000 MTPA. This capacity expansion will increase the existing wheat milling capacity by more than 60% and also will strengthen overall commitment and vision of company to be a one step source for basic food.

D. Grain Storage Silos at Chhata Plant

Storage of Grains is considered to be the best in Silos from cost and operational point of view. Along with the expansion of milling capacity at Chhata your company has also enhanced its storage capacity by putting up Hopper Bottom Silos and Flat Bottom Silos. Besides, your company is contemplating to enhance Silos storage capacity. The Silos facility will help in reducing the labour, packing material cost in addition to savings in wastages.

E. Memorandum of Understanding with National Bulk Handling Corporation Limited

Your company has signed an MOU with National Bulk Handling Corporation Limited (NBHC) for providing storage and handling of food grains across India for the company on a long term basis. In this context NBHC Limited is building first warehousing complex along with silos with a capacity of 50,000 MT for storage of food grains exclusively for the company at Chhata Dist- Mathura- UP. This will result in ease of operations.

9. FOREIGN EXCHANGE EARNINGS

Your company had entered in to export market in last year 2010. Right from its inception your company has been focused on the domestic market and in future too our focus shall remain in that way. However with the installation of one of the most modern plant at Chhata and also to achieve progress in all markets, for the first time your company had entered the export market in 2010 and in very short period 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 ₹ 5952.84 Lacs in compared to previous year of ₹ 1959.56 lacs. Your company is targeting mainly Middle East and Gulf countries for the export of rice and wheat based products.

10. 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. Vijay Ranchan, 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.

11. AUDITORS

M/s Parekh Shah & Lodha, Chartered Accountants, retiring auditors 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.

12. 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.

13. 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, 2011 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.

14. ENVIRONMENTAL PROTECTION & 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 clearances from the appropriate authorities for all the plants.

15. INSURANCE

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

16. 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 husk bio-mass fired 1 MW co-generation captive power plant at Mathura, which helps to save the cost of power consumption and also generating power in eco friendly manner by supporting environment.

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 electricals installed in the manufacturing/processing unit of the Company.

The Company has also implemented 'CONTINUES PAR BOILING PROCESS PLANT' which is imported technology from Thailand and implemented first time in India. With the implementation of the said modern technology the process to produce Par Boiled rice will reduce significantly from 10-12 hours in case of conventional process to 5-6 hours which will result in better operational efficiency and substantial saving in energy and water consumption.

We have also installed water treatment plant along with the said continuous Par Boiling Plant to recycle and reuse the water in Par Boiling process. This will save water and also result in lesser discharge of processed water.

At our chhata plant we have installed Husk fire furnace to generate hot Air for drying the paddy. These furnaces are patented and imported from Thailand. With the help of these furnaces drying process will use less energy consumption as compared to traditional drying process which uses steam as medium of heat for drying.

iii. Impact of i & 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.

17. DEPOSITS

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

18. 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.

19. HUMAN RESOURCE & 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 and their commitment towards the growth of the company.

20. SEBI REGULATION AND LISTING FEES

Your company has complied with all the rules and regulations which SEBI has stipulated from 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 where your Company's shares are listed.

21. MANAGEMENT DISCUSSION AND ANALYSIS

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

22. 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.

23. 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.

24. 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.

25. CONSOLIDATED FINANCIAL STATEMENT

As per AS 21 the Consolidated Financial Statement along with the notes to accounts are enclosed with this report.

26. ACKNOWLEDGEMENT

Your Directors express their sincere gratitude for the continued support 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 Institutions, Banks, Government Departments, Vendors, Contractors, Distributors, Dealers and valued customers and employees, who have contributed in the success of the Company.

For and on Behalf of the Board

Place : Mumbai
Date : August 30, 2011

V. K. Chaturvedi
Managing Director

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, 2011.

1. CONSERVATION OF ENERGY

Particulars	Current Year 2010-11	Previous Year 2009-10
Conservation of Energy		
A Power & Fuel Consumption		
1 Electricity		
a) Units Purchased	**7680355**	4716677
Total Amount (₹)	**44210744**	24556454
Rate/Unit (₹)	**5.76**	5.21
b) Own Generation		
(I) Through Diesel Generator		
Units Produced	**926047**	709761
Unit per ltr. Of Diesel	**3.55**	3.77
Rate/Unit (₹)	**11.49**	9.96
(II) Through Steam Turbine/ generator		
Units Produced	**5512307**	4197300
Unit per kg. of Husk	**0.80**	0.79
(III) Through DG cum Gasifier		
Units Produced	**420920**	-
Unit per ltr. Of Diesel	**7.23**	-
Unit per Kg. of Husk (Excluding cost of Husk)	**2.15**	-
Rate/Unit (₹)	**5.71**	-
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 (₹)		-
B Consumption per unit of production		
Electricity (unit)		
Paddy- Rice	**46.10**	52.79
Flour- Atta	**54.23**	55.27
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 (9% of the total output). 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 ₹ 210.45 Lacs (Prev. Yr. ₹ 40.52 Lacs) and the foreign exchange earnings on exports was ₹ 3362.04 Lacs (Prev. Yr. ₹ 1948.36 Lacs).

For and on Behalf of the Board

Place : Mumbai
Date : August 30, 2011

V. K. Chaturvedi
Managing Director

MANAGEMENT DISCUSSION & ANALYSIS

Global Economic Outlook

The road to recovery from the Global Recession is proving to be long, winding and rocky. After a year of fragile and uneven recovery, growth of the world economy is now decelerating on a broad front, presaging weaker global growth in the outlook. The fiscal consolidation plans that have been announced so far by Governments of developed countries will impact negatively on gross domestic product (GDP) growth in the outlook for 2011 and 2012. This contrasts with the strong GDP growth in many developing countries and economies in transition, which has been contributing to more than half of the expansion of the world economy since the third quarter of 2009. The rebound has been led by the large emerging economies in Asia and Latin America, particularly China, India and Brazil.

Indian Economic Outlook

The Indian economy vlued at $1,430.02 billion (2010 India GDP) is one of the fastest growing economies and is the 12th largest in terms of size. The Indian economy has been propelled by the liberalization policies that have been instrumental in boosting demand as well as trade volume. The growth rate has averaged around 7% since 1997 and India was able to keep its economy growing at a healthy rate even during the 2007-2009 recession, managing a 9.668 % growth rate in 2010 (India GDP Growth).

Indian Agriculture Sector

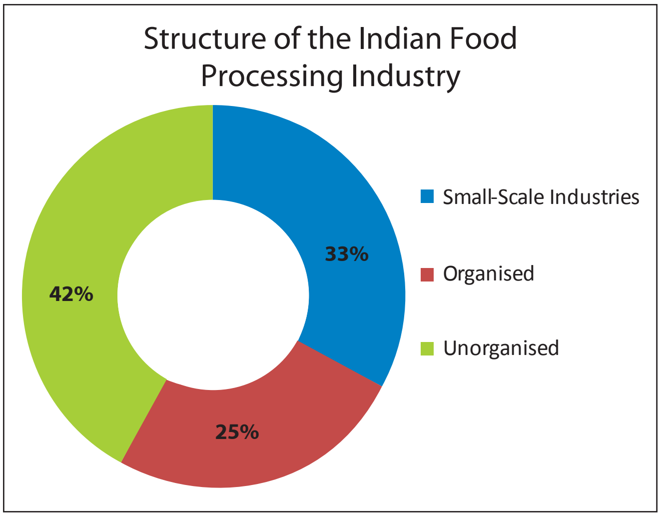
Agriculture is one of the most important sectors in the economy of the country. Agriculture is a major component of the Indian economy, as over 66% of the Indian population earns its livelihood from agriculture**.**

Agriculture in itself produces more than 18.5% of the GDP of the country and more than 60% people out of Indian population are involved in this sector. The Indian Agriculture also provides more than 8.5% of the total exports of the Indian Economy. 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 standard of living of millions of farmers who work to feed the nation.

For three consecutive years (2005-06 to 2007-08), food grains production recorded an average annual increase of over 10 million tons. The total food grains production in 2009-10 is estimated at 218.20 million tones as per the 4th Advance estimates released by the Ministry of Agriculture as against 234.47 in 2008-09; this is mainly due to the drought which was faced by the India last year.

Indian Food Processing Sector

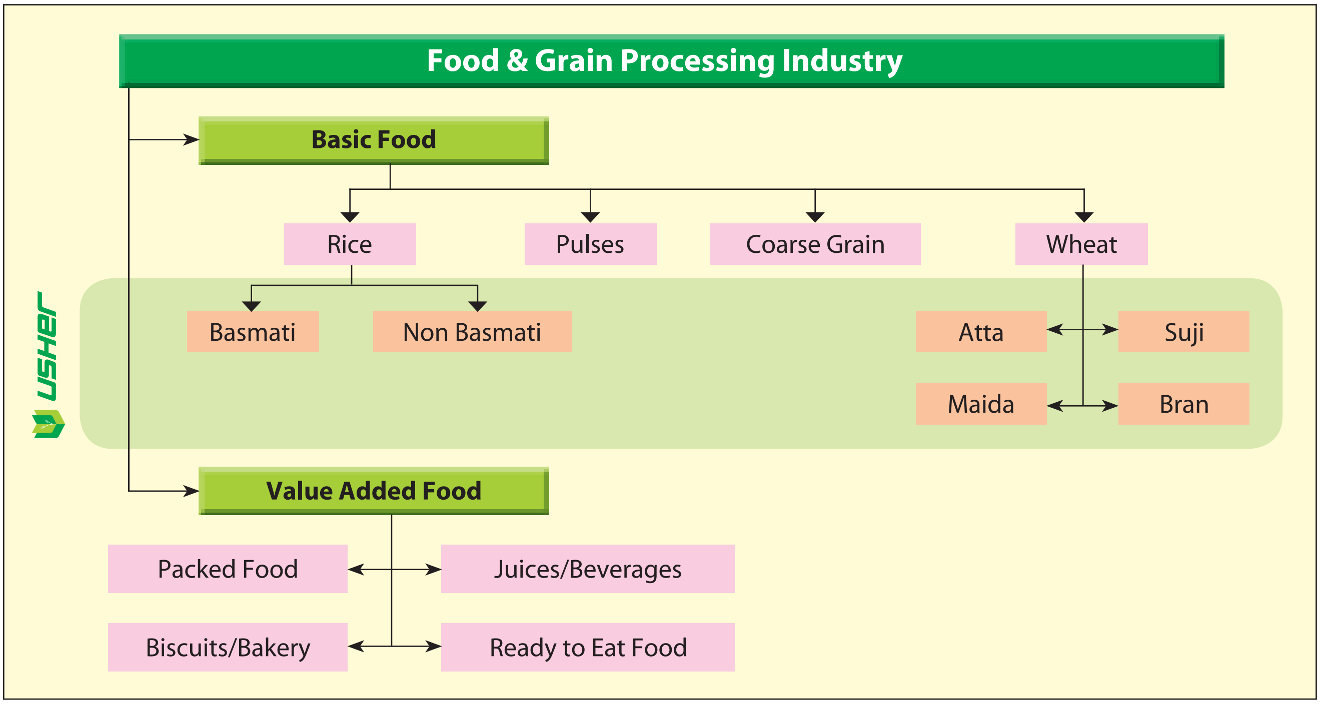
The food processing sector is highly fragmented, it widely comprises of basic food and value added food segments the sub-segments being fruits and vegetables, milk and milk products, beer and alcoholic beverages, meat and poultry, marine products, grain processing, packaged or convenience food and packaged drinks. A huge number of enterprises in this industry are small in terms of their production and operations. 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.



***Source: Ministry of Food Processing Industry.**

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 percent of the total work force is engaged in agro-processing sector directly or indirectly. As Indian economy is moving towards developed phase, 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 Structure:-



Usher who is currently into rice and wheat milling processing and shortly entering into pulses processing will make us the only company which will be comprising majority of basic food segments. The other segment comprises of value addition to the basic food segment at the post-harvest level comprising of products like Jams, Jellies, Dry-fruits, Dehydrated Vegetables, Milk and Dairy Products etc.

Usher's Overview

We are an agri-food processing company primarily engaged in milling and processing of rice and wheat in Northern and Eastern 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 amongst the main rice and wheat growing regions in India.

Synopsis of the Varities of Rice & Wheat Products produced by your Company.

We set up our first rice milling plant at Mathura (U.P) in 1996 with a capacity of 10,800 MTPA. Also we expanded our business by setting up our second 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 a capacity of 1,94,400 MTPA in Chhata (U.P). In 2006, we also set up a wheat roller flour milling plant 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). Subsequently, we expanded our milling capacity and project base in product in phased manner to reach rice milling capacity of 5,43,600 MTPA and wheat milling capacity of 75,000 MTPA.

Rice Products	
Raw Rice ▪ 1121, ▪ DB, ▪ Sugandha, ▪ Masauri/ Sonam, ▪ Parmal/ PR-11/ Common IR-8, ▪ Sharbati/ Pepsi, ▪ Basmati, Pusa Basmati	**Brown Rice** ▪ 1121, ▪ DB, ▪ Masauri, ▪ Parmal, ▪ Basmati, Pusa Basmati
Part Boiled/ Steamed Rice	
▪ 1121, ▪ DB, ▪ Sugandha, ▪ Masauri/ Sonam,	▪ Parmal/ PR-11/ Common IR-8, ▪ Sharbati/ Pepsi, ▪ Basmati, Pusa Basmati
Wheat Products	
▪ R-Atta ▪ Semolina Premium (Rawa/ Suji) ▪ Whole Meal Atta (Chakki Atta) ▪ Fine & Superfine Wheat flour (Maida) ▪ Bran (Choker)	

Following table and chart shows unit wise installed capacity and growth in scale of operations of Usher.

Unit wise Cumulative Capacity (MTPA)					
Commencement	**Rice-Mathura**	**Rice-Buxar**	**Rice-Chatta**	**Wheat-Mathura**	**Total Capacity**
1996-97	10,800	-	-	-	**10,800**
2003-04	10,800	46,800	-	-	**57,600**
2006-07	10,800	46,800	-	75,000	**132,600**
2009-10	10,800	46,800	194,400	75,000	**327,000**
2010-11	10,800	46,800	486,000	75,000	**618,600**

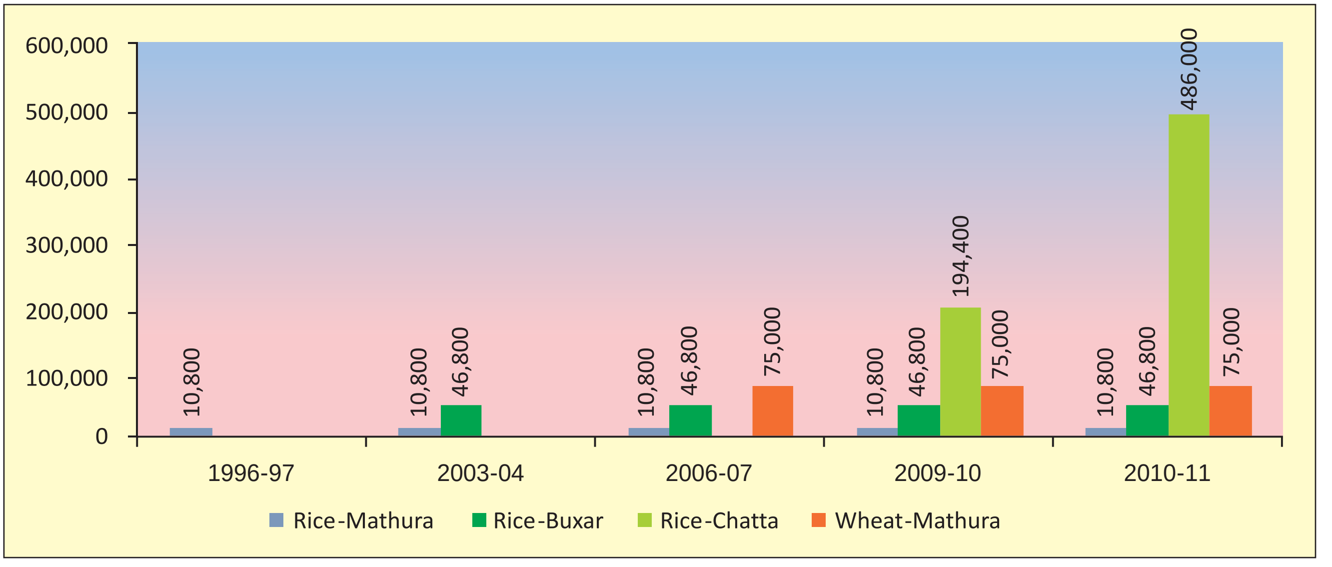


Chart showing the unit wise cumulative capacity (MTPA) of Usher.

Our Key Competitive Strengths

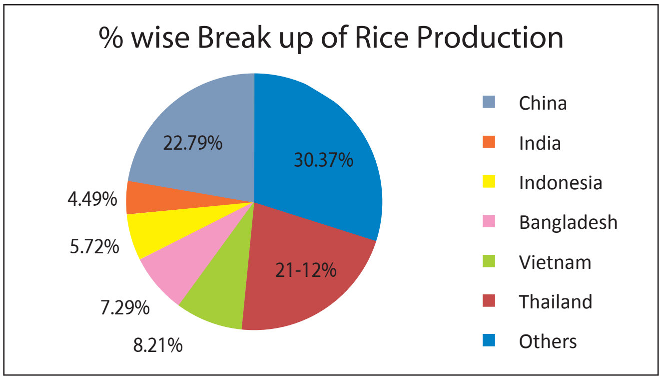
- **World Class Modernized Rice Milling Capacities:** Our Company is amongst the largest producer and processor of non basmati-rice in India. Our total rice milling capacity is 5,43,600 MTPA. By continuously expanding our capacity we are enjoying economies of large scale in procurement, processing and logistics with world class infrastructure. We have been able to deliver quality products with most efficient operations.
- **Locational advantage due to our presence in grain belt of India:** Our rice mills and wheat flour mills are located at Chhata, Buxar and Mathura which are in close proximity to Agri mandis of 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 which are major consumer market for rice. This gives us a logistic advantage to supply products to the consumers in these states
- **Strong procurement Network:** Our presence in the grain producing belt of India enables us to procure raw materials with lower logistics and lower transportation costs. We have a strong procurement network present in over 80 mandis. Further we have our exclusive agents (pukka adtiyas) in each of the mandis to procure best quality raw materials at competitive rates.
- **Strong Distribution Network:** Our presence is in 9 states covering more than 32 cities in the country with our strong distribution network of distributors, agents and traders. This has helped us in increasing our presence in large part of the country.
- **Export distribution:** Your Company has registered good presence in the exports markets also within a short span of time. Usher started exports only in P.Y 2009-10 with exports amounting to ₹ 20 Crores which have now been increased to about ₹ 60 Crores in F.Y 2010-11and still rising at a fast pace with good order based position.

Our Products & its performance

Rice

Global Outlook

Throughout the 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 evidences 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, and several countries of Asia and Africa are highly dependent on rice as a source of foreign exchange earnings and government revenue.



Country	Actual Production (MMT)
China	137.00
India	95.30
Indonesia	37.06
Bangladesh	32.90
Vietnam	25.80
Thailand	20.26
Others	102.84
Total	451.16

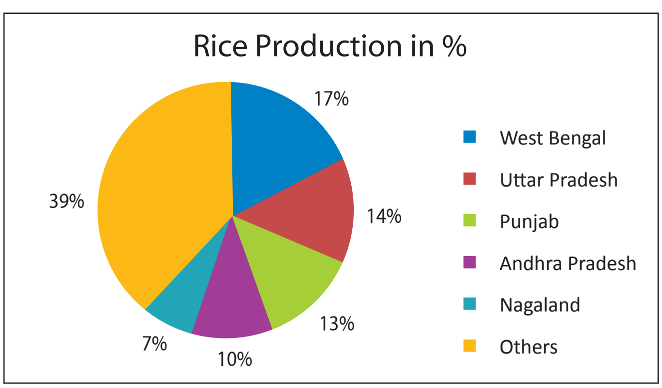
*Source:-USDA (advance estimates)

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 outlook

Rice is the staple food for most of the 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.



State	Actual Production (MMT)
West Bengal	14.88
Uttar Pradesh	12.20
Punjab	11.00
Andhra Pradesh	8.64
Nagaland	5.66
Others	42.92
Total	95.30

*source: Agriculture Department of India

Cultivation of Rice is the backbone of India's agricultural economy, providing direct employment to about 70% of working people in the country.

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 Tonnes**	**Yeild Kg./Hectare**	**% Coverage Under Irrigation**
1998-99	44.80	86.08	1921	52.30
1999-00	45.16	89.68	1986	53.90
2000-01	44.71	84.98	1901	53.60
2001-02	44.90	93.34	2079	53.20
2002-03	41.18	71.82	1744	50.20
2003-04	42.59	88.53	2077	52.60
2004-05	41.91	83.13	1984	54.70
2005-06	43.66	91.79	2102	56.00
2006-07	43.81	93.36	2131	56.70
2007-08	43.91	96.69	2202	56.90
2008-09	45.54	99.18	2178	NA
2009-10	41.85	89.13	2130	NA
2010-2011*	36.95	80.41	2177	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, non basmati rice exports are valued at (US) $2500 million per annum. Over 60% of Basmati rice grown in India is produced for export.

Further Break up of Rice Industry in the Indian Context

Indian Rice Industry constitutes of basically two forms of rice, basmati and non- basmati. Any type of rice which is not basmati rice is non-basmati rice. 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 which has gone down considerably over the years. This makes the basmati sector fully saturated offering no scope for expansion. The non- basmati sector constitutes more than 99% of the total rice produced in India thus giving ample opportunity for major rice producers like Usher Agro.

Further going one step ahead the soil and climatic conditions required for cultivation of basmati rice is available in very restricted area of Punjab, Haryana and U.P. Usher Agro through its strategic location is well connected to both these states, thus making it relatively better off in the basmati sector also.

Minimum Support Prices

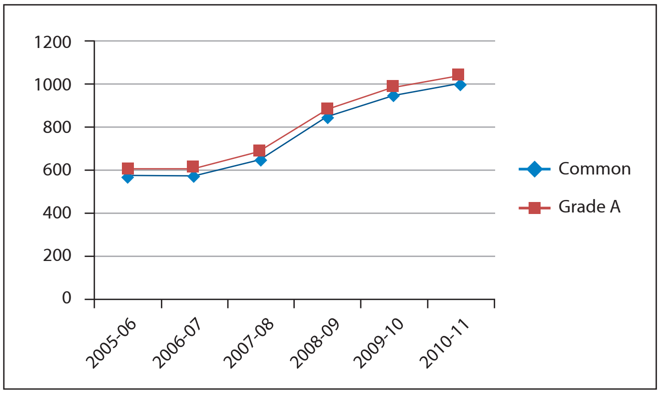
Food Corporation of India purchases around 25% of the total rice production in the country both under levy from the rice mills and directly in the form of paddy from the farmers at Minimum Support Prices announced by the Govt.

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 are as follows: - (Common and Grade A)

Commodity	2006-07	2007-08	2008-09	2009-10	2010-11
Paddy (Common)	580	645	850	950	1000
Paddy (Grade A)	610	675	880	980	1030



Graph showing the rise in MSP of paddy Common and Paddy Grade A 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 its 60% in U.P. i.e. 60% 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 and margins on government sales are more or less equal to the normal market sales as is evident from the above chart. In this way the government procures rice from the producers, 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; we expect the same trend going forward also. We expect that going forward government contribution to sales of Usher will reduce in the range of 15-20%. Since Usher is mainly focusing now on premium quality of 1121 Pusa Basmati Rice particularly in view of advanced, modernized and large scale milling capacities.

Performance

Operational Performance

Rice

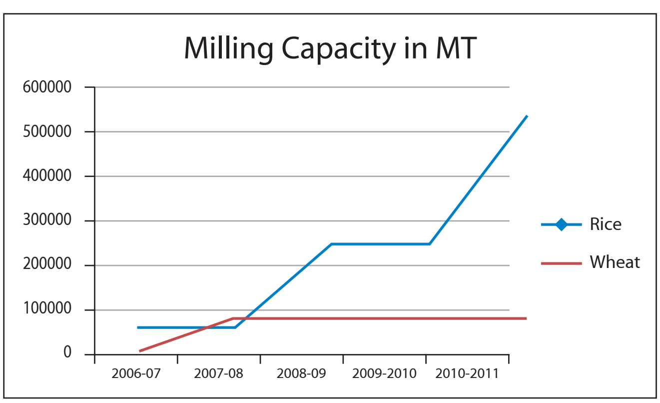
Usher from the very first year of its operation is concentrating on the Non basmati sector since the basmati sector is already fully saturated and offers no scope for expansion. The Non basmati Rice industry in India is still much unorganized as compared to the Basmati Rice industry of India. The organized Players are not even commanding 1% of overall market and this offers ample scope for players like Usher 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. Your Company has put up efficient logistic and supply chain management system to effectively cater to this market.

Your company has been continuously researching on the way to increase the value and quality of the rice which is backed by our high quality research team. Your directors believe that sustained investment in technology, innovations, consumer communication and continued focus on market development will benefit the business in creating long term value.

Last year we achieved a total paddy milling capacity of 2,19,288 MT and are determinant to further gain new heights. With commencement of our new unit in Chhata and increasing our production by two fold we will be approaching to new markets for increasing our sale and thus increasing our Indian presence.

Usher has been scaling its rice milling capacity from last 5 years and in fact have added more than 10 times to its milling capacity as compared to its milling capacity of 2005-06. We understand that the comparative advantage in this sector lies not only in increasing the milling capacity but to have effective procurement, storage and logistics infrastructure also.

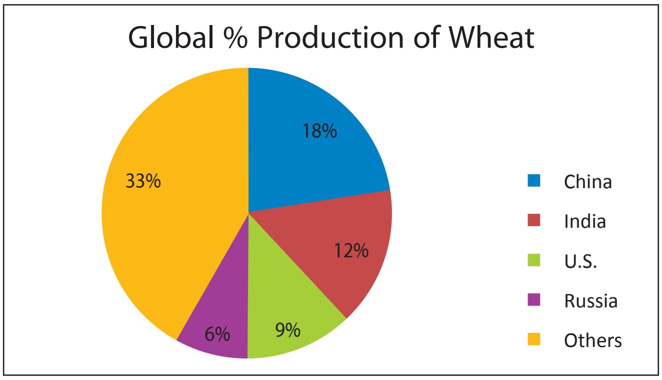


The above Chart shows a snapshot of the total Rice Milling capacity that Usher Agro will be possessing after its expansion plans.

Wheat

Global Outlook

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



Country	Actual Production (MMT)
EU-27	135.76
China	115.00
India	80.80
U.S.	60.10
Russia	41.50
Others	214.96
Total	648.12

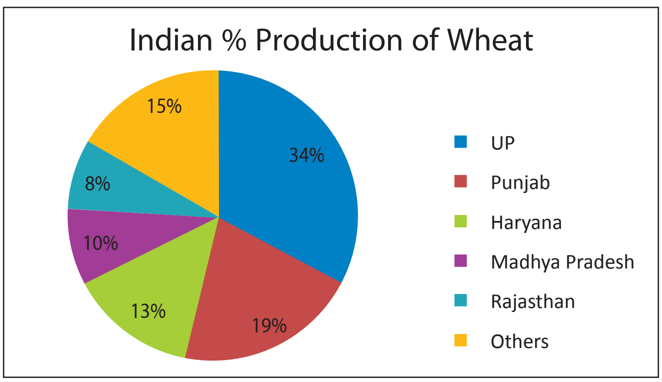
*Source: FAO

Top Wheat producing countries constitutes India, China, and U.S.and Russia.

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.



State	Actual Production (MMT)
U.P.	27.81
Punjab	15.26
Haryana	10.50
M.P.	7.85
Rajasthan	6.83
Others	13.35
Total	80.80

Source:- www.indiastat.com

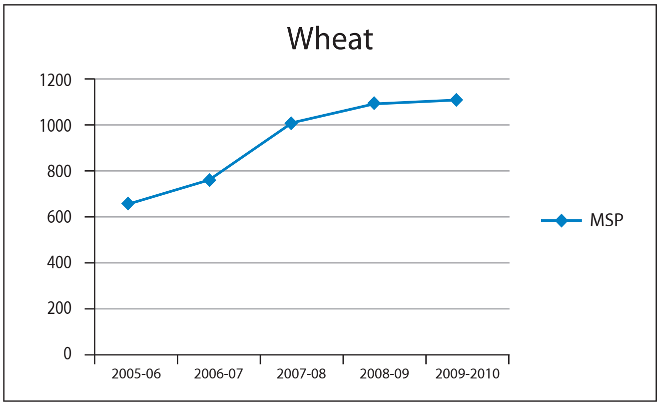
In India government through its various agencies procures wheat ranging from 15 to 20 million tones, accounting for about 11 to 20 per cent of the total countries production. The support price operation and the PDS play a significant role in maintaining reasonable and stable food grain prices in the country for both the producers and consumers. India's wheat production increase is driven principally by yield growth and by 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.

The Minimum support prices per quintal of wheat are as follows:-

Commodity	2006-07	2007-08	2008-09	2009-10	2010-11
Wheat	750	1000	1080	1100	1120

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, Usher Agro has chalked out a comprehensive strategy, a detailed outline of which is shown below.



Graph showing the increase in MSP of Wheat over the years

Wheat

The demand for the branded and processed 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. Our all products are well established in the market due to the good quality and efficient network of distributors and dealers

Financial Performance

Snapshot of the year

- ✓ ***Total income growth by 64% increasing to ₹ 56255 lacs as compared to ₹ 34255 lacs in the previous year.***
- ✓ ***Net profit after tax up by 51% rising to ₹ 3542 lacs as compared to ₹ 2353 lacs in the previous year.***
- ✓ ***The Earnings per share has increased to11.98 in 2011 as compared to 10.91 in year 2010.***
- ✓ ***The Net Worth of the company has reached to ₹ 23587 lacs as compared to ₹ 10236 lacs in the previous year.***

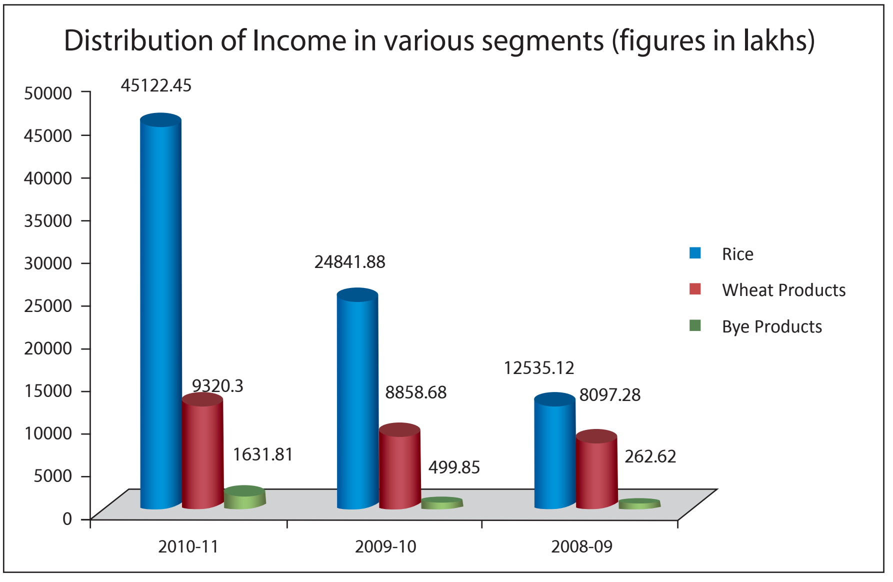
Profit & Loss Statement Analysis

The total revenues earned by the company increased by64% over last year, rising from ₹34255lacs in the 2009-10 to ₹56255lacs in FY2010-2011.

With the increased level of revenues, the EBDITA rose at lacs in ₹7640FY2010-2011 as against ₹4853lacs in the last year. The company registered PAT of ₹3542lacs compared to ₹2353lacs in the last year.

Segment wise performance

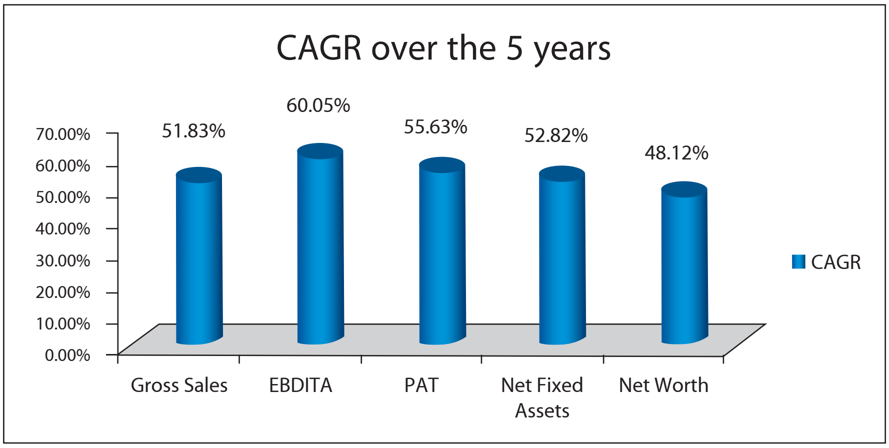
The breakup of the revenue from our different segments can be analyzed from the given chart. As seen the company has shown robust performance in all the segments. The Company continued its strict control on the consumption of raw materials and energy thereby improving its profitability. By looking at 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.



Balance Sheet Analysis

Capital Employed

During the year, the Company funded growth via internal accruals and working capital facilities from banks and through the successful implementation of the QIP facility of ₹ 100 Crores. We have ensured judicious use of every rupee invested in the business.



Reserves and Surplus

Free reserves of Usher stood at ₹ 1052 lacs as on 30th June, 2011 which was higher than the free reserves of ₹ 652 lacs as on 30th June, 2010.

Net Worth

Net worth of Usher stood at ₹ 23587 lacs as on 30th June, 2011 which was higher than the Net worth of of ₹ 10326 lacs as on 30th June, 2010.

Fixed Assets

During the year, the company invested ₹ 8451 lacs in increasing our assets base to ₹ 17400 lacs. We invested in increasing our silos capacity in Chhata and commissioning our new rice milling unit in Chhata.

Opportunities & Future Prospects

Recent studies indicate that turnover of the total food market is approximately ₹ 250000 crores (US $ 69.4 billion). The agricultural food industry also 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.

Excellent export prospects, competitive pricing of agricultural products and standards that are internationally comparable has created trade opportunities in the agro industry. This further has enabled the Indian Agriculture Industry Portal to serve as a means by which every exporter and importer of India and abroad, can fulfill their requirements and avail the benefits of agro related business opportunities.

Pulses: The way Ahead

Pulses are an essential part of staple food of Indian population, which is third most important basic food for Indian population and is main source for protein.

India is largest producer of pulses in the world with 25 per cent share in global production. Chickpeas (chana), pigeon peas (arhar / toor dal), urad beans (urad dal), mung beans (moong) and red lentils (masoor) are the top five pulses grown in India and account for over 80 per cent of the total pulses production in the country. Pulses are again a very large market and opportunity in India. To tap this ample opportunity and with a ultimate vision to emerge as one stop solution for all basic foods, Usher is planning to enter in processing of pulses and pulse flour. This will also provide competitive edge to Usher and also a differentiation in the food processing industry being the only company having all dimension of basic food i.e. wheat, rice and pulses.

Presently the Company is in the process to finalize the plans to install capacity for pulses and pulse flour milling at Chatta, Dist. Mathura, and U.P. We are planning to set up facilities for various pulses processing with cumulative capacity of 100,000 MTPA and a Besan Mill with capacity of 40,000 MTPA. Usher will cover all variety of pulses such as:

- Pigeon Peas (Tuvar Dal)
- Chick Peas (Chana Dal)

- Red Lentils (Masoor Dal)
- Yellow Peas (Watana Dal)
- Moong Beans & Urad

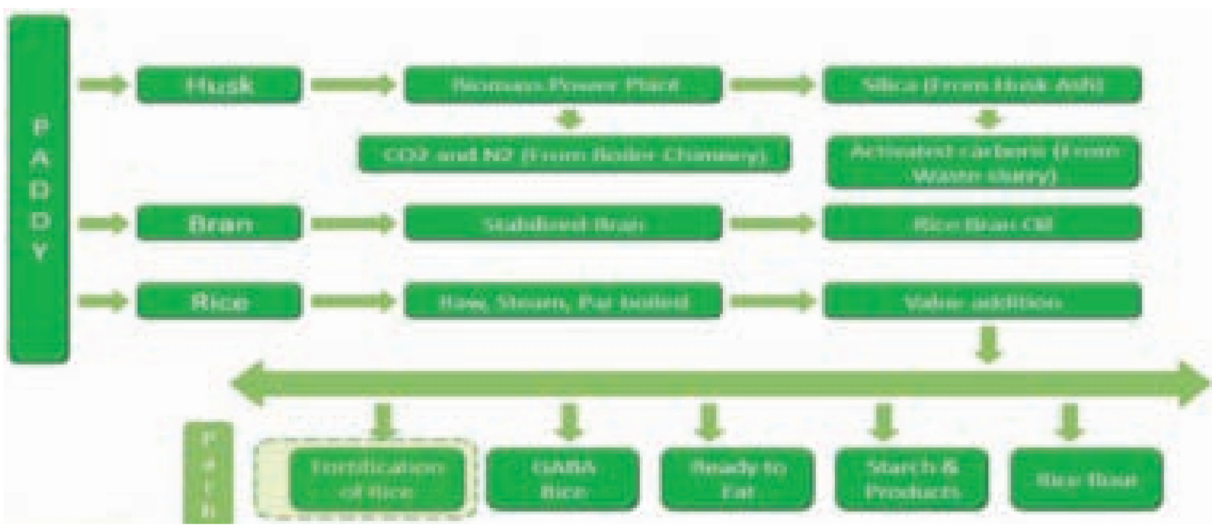
Total project cost and other details for the above processing facilities with financial closure are presently are in evaluation stage.

Value Additions from and to Rice:

Looking forward the future requirements of the country and tapping the opportunities of manufacturing from the paddy, Usher has set forth plans that will tap all the utilities from paddy and be the first rice millers to set such manufacturing facilities. The diagram below shows the complete integration from paddy that Usher is looking for in the coming years.

During the process of milling of rice substantial quantity of iron and vitamins are lost from the rice. Fortification of rice will ensure that the necessary natural iron and vitamins found in the rice are not lost and also the help of the technology we will be able to add the vitamins and minerals into the rice.

Martin Bloem, nutrition policy chief at the UN's World Food Programme, said food fortification presented "incredible opportunities" in the fight against "hidden hunger". Thus keeping with the United Nations goal in mind to help those countries which are suffering from malnutrition the fortification technology can do wonders.



Logistics & Infrastructure:

Keeping in mind the expansion plans of the company Usher has signed an agreement with the National BulK Handling Corporation (NBHC) for becoming our logistics and infrastructure partner. NBHC will be preparing world class warehousing and silos capacity to cater our expansion plans.

Power & Energy - 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 in for production of power from renewable energy sources like wind , hydro, biomass, and solar energy.

Usher's Contribution - Your company has been contributing effectively to fight the world's energy deficit. In 2008 we further modernized our existing rice mill at Mathura (U.P) and commenced operations of our 1 MW rice husk based bio mass cogeneration power project for the captive consumption at Mathura (U.P). Through one of its 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 claiming CDM benefits for the same.

Risk Concerns & Mitigations

- **A slowdown in economic growth could cause our business to suffer.**

  Mitigation: The world is currently witnessing an economic turmoil again after the downgrade of US debt and economic disruptions in Europe. But Since India has shown a continuous rising GDP growth and the food processing sector is one of the shinning and key sectors in India we don't see any effect on our company. Also due to our large capacities in the rice milling sector we enjoy economies of large scale and since we are into non-basmati sector which is having huge demand in India and is relatively having very few large players like Usher, we foresee a huge potential for growth.

- **Increasing large capacities will be demanding adequate infrastructure**

  Mitigation: We are aggressively increasing our capacities and to cope with it we will be needing adequate infrastructure and logistics system to cater our ever increasing demands and create a pan India presence. Our tie up with NBHC and also our increased silos capacity at the Chhata plant will make sure that we are efficient to cope with the demands.

Human Resource Development & 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 thus we have recruited, nurtured and retained some of the best talents in the industry.

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 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.


LIMBS OF
USHER AGRO
Punjab
Haryana
Delhi
Rajasthan
Uttar Pradesh
Bihar
Gujarat
Madhya Pradesh
West
Bengal
Maharashtra
Andhra Pradesh
Plant Location (3)
Office (4)
Procurement Centre (80)
Distribution Network (32)

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

The Company has set itself the objective of expanding its capacities and becoming globally competitive in its business. As a part of its growth strategy, the Company believes in adopting 'best practices' that are followed in the area of Corporate Governance across various geographies. The Company emphasises the need for full transparency and accountability in all its transactions, in order to protect the interest of its stakeholders. The Board considers itself as a trustee of its Shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth. 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

Promoter Directors

Dr. Vinod Kumar Chaturvedi, aged 46 years, is the Managing Director of your Company. He holds a Bachelors Degree in Commerce (B. Com) from Agra University and a fellow member of 'The Institute of Chartered Accountants of India. Going further he has also done Doctor of Philosophy in applied business economics (commerce) on the topic "Prospects And Rationale For Second Green Revolution". Dr. Vinod Kumar Chaturvedi has over 24 years of experience in finance, project and food processing industry. He promoted Usher Agro Limited in 1996 and set up a conventional rice milling plant at Mathura. After incorporation of Usher Agro Limited he promoted Usher Eco Power Limited, Usher Capitals Limited, Usher infra Logic Limited and Usher Oils And Foods Limited under the USHER umbrella.

Mr. Manoj Pathak, aged 38 years, is the Whole Time Director of your Company. He holds a Bachelors degree in Commerce (B. Com) from Agra University and a Bachelors of Law. He is one of our promoters and is the brother of Mr. Vinod Kumar Chaturvedi. He has over 15 years of experience in food processing industry and he has been involved with our company since its inception. He has been actively involved in the implementation of all the projects of our Company and has played a vital role in the growth of our company. His responsibilities include contributing to the strategic growth and development of a strong marketing network for our products. He has also contributed to the company through his efficient managerial capabilities to deal with labour, farmers, and operating personnel at the plants.

Independent Directors

Mr. Ajay Prakash Arora, aged 69 years, is an Independent Non- Executive Director of your Company. He is chairman of Audit Committee. 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 handing banking and finance functions. He joined the Central Bank of India in 1963 and continued working there till year 2000. During his tenure with the Central Bank of India, Mr. Arora worked in various capacities as the Senior Internal Auditor, Investigations/Enquiry officer, Branch Manager, Chief Manager in Branches and Zonal office in Central Bank.

Dr. Shri Prakash Arora, aged 71 years, is an Independent Non- Executive Director of your Company. He holds a Bachelors degree in Animal Science from Agra University. He has previously worked with Pfizer Animal Health (Multinational Pharmaceutical Company) for 36 years, where he held several key positions overseeing the sales, technical, marketing, budgeting, training and business development of the company. He was also responsible for launch and subsequent handling of Agro chemical business (bactericides for cotton, chilies and paddy crop) of Pfizer in western India. Presently, he is very proficient in areas vis. restructuring of sales and marketing group, developing marketing strategies, training / mentoring in connection with rural marketing, distribution system, recruitment and selection, developing reward and appraisal system, and launch of new products.

Mr. Vijay Ranchan, aged 68 years is a Non Executive, Independent Director of your Company and member of Audit committee. He holds a Masters degree in English Literature from Punjab University. He is retired IAS officer (1967 batch). He has held senior positions of secretary/principal secretary/ additional chief secretary in the Department of Revenue, Industry, Labour and Health of Government of Gujarat. He was also the Joint Managing Director of Gujarat Agro Industries Corporation, Joint Managing Director of Gujarat Industrial Investment Corporation, Chairman of Gujarat Fisheries Central Co-operation Association.

Mr. N. Krishnan, aged 51 years, is an Independent Non- Executive Director of your Company and member of Audit Committee of the company. He holds a Masters degree in Commerce from Mumbai University. He has been associated with IDBI Bank Limited for the last three decades. He has expertise in corporate finance, rehabilitation & recovery, internal audit and agri business. He is a faculty member in the bank's Staff College at Hyderabad for over 5 years. He has been associated with a consultancy assignment involving competency mapping and conduct of Assessment and Development Center- HR for Senior Executives of DFCC Bank, Sri Lanka.

CORPORATE GOVERNANCE

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, 2011, 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.
Dr. 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	No	6	6	NIL
Mr. A.P. Arora	**ID & NED**	5	Yes	3	6	239
Dr. S.P. Arora	**ID & NED**	5	Yes	1	3	NIL
Mr N. Krishnan	**ID & NED**	5	Yes	Nil	1	NIL

* PD - Promoter Director NED - Non- Executive Director

ED - Executive Director ID - Independent Director

B) Board Procedure

Five Board Meetings were held during the financial year 2010-11, and the gap between two meetings did not exceed four months.

the Board of Directors met on the following dates:

July 14, 2010; August 30, 2010; November 12, 2010; February 11, 2011; May 6, 2011 respectively. 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. Vijay Ranchan are Directors who shall retire by rotation in the ensuing AGM and are eligible for re-appointment. Brief particulars of these directors are as follows:

Name	Mr. A.P. Arora	Mr. Vijay Ranchan
Father's Name	Mr. Madhu Prasad Arora	Mr. Pyarelal Sharma
Date of Birth	08.05.1941	01.10.1942
Date of Appointment	29.09.2003	30.12.2004
Address	305, Wing 3-B, Dheeraj Enclave, Borivali (East), Mumbai 66	Plot No. 131, Sector 8-C, Gandhi Nagar 382008, Gujrat, India
Designation	Non-executive Independent Director	Non-executive Independent Director
Qualification & Experience	Aged 69 years, is an Independent Non-Executive Director of our Company. He holds a Masters Degree in Commerce (M.Com) from Lucknow Universuity and is also qualified as Certified Associate of Indian Institute of Bankers (CAIIB). He has over 37 years of rich experience in handing Banking Finance, Training Programmes, and various activities.	aged 68 years is a Non Executive, Independent Director of our Company and member of Audit committee. He holds a Masters degree in English Literature from Punjab University. He was in Indian Administrative Service (1967 batch) and is currently retired. He has held senior positions of secretary/principal secretary/ additional chief secretary in the Department of Revenue, Industry, Labour and Health of Government of Gujarat. He was also the Joint Managing Director of Gujarat Agro Industries Corporation, Joint Managing Director of Gujarat Industrial Investment Corporation, Chairman of Gujarat Fisheries Central Co-operation Association
Salary etc.	NIL	NIL
Companies in which holds Directorship	1. Usher Eco Power Limited 2. Usher Oils & Foods Limited 3. Usher Capitals Limited	1. Adani Power Ltd. 2. Usher Eco Power Ltd. 3. Shah Papers and Pulp Pvt. Ltd. 4. Pramerica Asset Managers Pvt. Ltd. 5. Eywa Energy Pvt. Ltd. 6. Vishwa Infrastructure and Services Pvt. Ltd.
Membership of Committee of Board of Directors of the Company	Audit Committee Shareholders grievance committee Preferential Issue Allotment Committee	Audit Committee Shareholders grievance committee Preferential Issue Allotment Committee
Equity Shares held	239	NIL

BOARD COMMITTEES

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

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 is the Chairman of the Committee. Mr. N. Krishnan and Mr. Vijay Ranchan are the members of the Committee.

Meeting held during the year and the attendance there at:

During the year 4 (four) Audit Committee Meetings were held on August 30, 2010; November 12, 2010; February 11, 2011; May 6, 2011 respectively.

The attendance of members in the meetings of the Audit Committee is as follow:

Sr. No.	Director	No. of Meetings Attended
1	Mr. A.P. Arora	4
2	Mr. Vijay Ranchan	3
3	Mr. N. Krishnan	4

a. The Chairman of the Audit Committee was present at the Annual General Meeting of the company held on 20 December, 2010.

b. Company Secretary of the company acts as the Secretary of the Committee. Mr. V.K. Chaturvedi, Managing Director and a representative from the Statutory Auditors attended the meeting of the Committee as the invitees.

B. Shareholders' Grievance Committee

The Shareholders' Grievance Committee of the company comprised of three non-executive directors namely, Dr. S. P. Arora as the Chairman, Mr. A.P. Arora and Mr. Vijay Ranchan as the members of the Committee.

The Board has constituted the Shareholders' Grievance committee as per the guidelines set out in listing agreement 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 there at:

During the year 1(one) Shareholder Grievance Committee Meeting was held on August 30, 2010.

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

Sr. No.	Director	Category	No. of Meetings Attended
1	Dr. S.P. Arora	Chairman	1
2	Mr. A.P. Arora	Member	1
3	Mr. N. Krishnan	Member	1

C. Preferential Issue Allotment Committee

The Preferential Issue Allotment Committee of the company comprised of two non-executive directors and one executive Director namely, Mr. Vijay Ranchan, Mr. A. P. Arora and Mr. V.K. Chaturvedi respectively and Mr. Vijay Ranchan act as the Chairman of the Committee.

During the year 3(three) Preferential Issue Allotment Committee were held on January 24, 2011, April 08, 2011 and June 13, 2011.

Meeting held during the year and the attendance there at:

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	3
2	Mr. A.P. Arora	Member	3
3	Mr. V.K. Chaturvedi	Member	3

Company Secretary acts as the Secretary of the Committee.

Remuneration Committee

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

During the year 1(one) Remuneration Committee was held on August 30, 2010.

Meeting held during the year and the Attendance thereat:

The attendance of members of the Remuneration Committee Meeting is as follow:

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

Company Secretary acts as the Secretary of the Committee.

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 2010- 2011 are as under :

Particulars	Dr. V.K. Chaturvedi (Managing Director)	Mr. Manoj Pathak (Executive Director)
Salary, Include Allowance	18, 00, 000	12,00, 000
Total	**18, 00, 000**	**12, 00, 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 committee attended by them. No commission was paid or payable to the non-executive directors during the financial year 2010-11.

The sitting fees paid to all the non-executive directors for attending each meeting of Board and Committee thereof for the year ended 30th June, 2011 is as follows:- Mr. Vijay Ranchan – ₹ 1,20,000, Mr. A.P. Arora – ₹ 1,50,000/-, Dr. S.P. Arora – ₹ 75,000/- and Mr. N. Krishnan – ₹ 1,30,000/-.

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
2010	20.12.2010	Nandkripa Banquet Hall, Four Bungalow Road, Main Market, Andheri (West), Mumbai-400 058	11.00 a.m.	• Authority under section 293(1)(d)
2009	30.11.2009	Nandkripa Banquet Hall, Four Bungalow Road, Main Market, Andheri (West), Mumbai-400 058	11.00 a.m.	• 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.	• Keeping the statutory registers and documents at the premises of the RTA. • Raising of funds under section 81(1A).

3. DISCLOSURES

a) 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 Accounts of the Company.

b) Your company has followed all relevant Accounting Standards while preparing the financial statement.

c) Your company has a comprehensive risk management policy and the same is periodically reviewed by the Board of Directors.

d) During the last three years, there were no instance of imposition of penalties, strictures by Stock Exchanges or SEBI or any statutory authority on the company on any matter related to capital markets, hence no details thereof could be provided.

e) 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

i) Quarterly financial statements 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 Exchanges.

ii) 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:

(a) I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:

  (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (ii) 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.

(b) There are, to the best of my 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.

(c) I accept responsibility for establishing and maintaining internal controls and I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.

(d) I have indicated to the auditors and the Audit committee.

  (i) Significant changes in internal control during the year, if any;

  (ii) 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

  (iii) Instance of significant fraud of which I 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 2011.

6. GENERAL SHAREHOLDER INFORMATION

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

20th December, 2011 (Tentative)

B. **Financial calendar 2011-12**

Quarter Ending	Financial Reporting
September 30, 2011	November, 2011
December 31, 2011	February, 2012
March 31, 2012	May, 2012
June 30, 2012	August, 2012

C. **Date of book closure:** December 14 to December 16, 2011

D. **Listing on Stock Exchange**

1) The Stock Exchange, Mumbai
Phiroze Jee Jee Bhoy 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 2011-12.

F. **Electronic connectivity :**

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

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

H. **Registered office & Corporate office**

422, Laxmi Plaza, Laxmi Industrial Estate,
New Link Raod, Andheri (w),
Mumbai - 400 053 INDIA
Tel. No.: +91 22 39381100
Fax No.: +91 22 39381123
Email: usherinvestors@usheragro.com
URL : www.usheragro.com

I. **Plant location:**

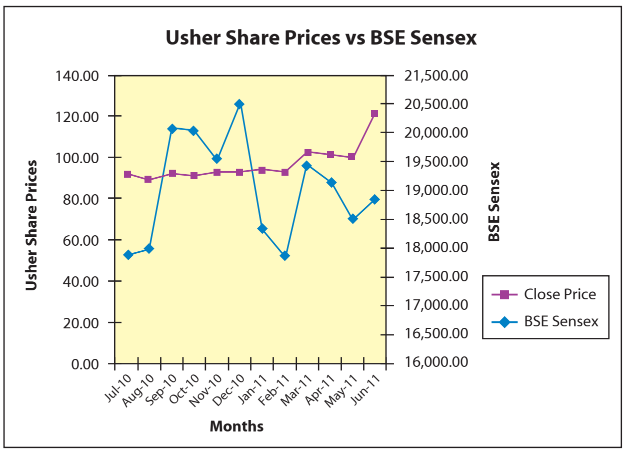
1. Mathura: 239, Maholi, Krishna Nagar, Off Delhi- Agra highway, Mathura Dist- Mathura(U.P.)
2. Chhata : 158, Gohari, Delhi- Agra Highway, Chhata, Dist Mathura
3. Buxar: Plot no. 1898, Chaubeji ki Chhavani, Jalilpur Thana, rajpur, Dist Buxar (Bihar)

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

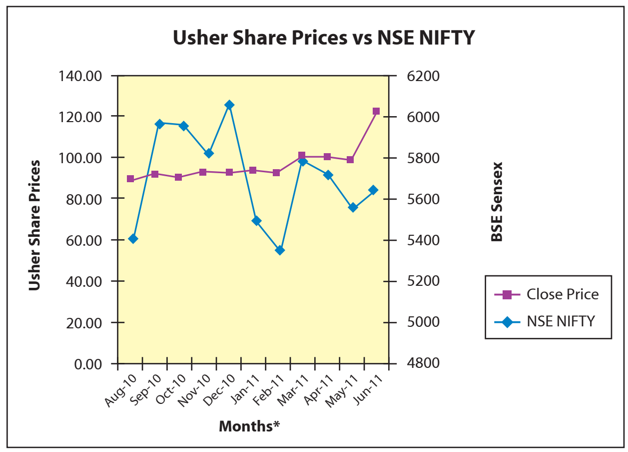
The Bombay Stock Exchange Limited:	532765
The National Stock Exchange of India Limited:	'USHERAGRO'

K. Market price Date and Performance in comparison to Stock Exchanges

Month	BSE Sensex	Close Price (BSE)	NSE Nifty	Close Price (NSE)
Jul-10	17,868.29	91.90	–	–
Aug-10	17,971.12	89.15	5402.4	89.25
Sep-10	20,069.12	92.45	6029.95	92.45
Oct-10	20,032.34	90.90	6017.7	90.75
Nov-10	19,521.25	93.35	5862.7	93.4
Dec-10	20,509.09	92.90	6134.5	93.05
Jan-11	18,327.76	93.90	5505.9	93.95
Feb-11	17,823.40	92.95	5333.25	92.7
Mar-11	19,445.22	102.60	5833.75	102.05
Apr-11	19,135.96	101.35	5749.5	101.1
May-11	18,503.28	99.65	5560.15	99.5
Jun-11	18,845.87	121.90	5647.4	122.25



Company's Share Price Movement Vis a Vis BSE Sensex



Company's Share Price Movement Vis a Vis NSE Nifty

*Shares were listed in the month of Aug 2010

L. Investors' correspondence may be addressed to:

Name	**Usher Agro Limited**
Contact Person	Mr. Saurabh Mehta (Company Secretary & Compliance Officer)
Address	422, Laxmi Plaza, Laxmi Industrial Estate, New Link Raod, Andheri (w), Mumbai - 400 053 INDIA
Telephone No.	+91 22 39381100
Fax No.	+91 22 39381123
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, 2011 out of 3,80,59,039 equity shares of ₹10/- each, 3,80,58,924 equity shares which is 99.99% of total equity share capital 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 & Share Transfer Agent for processing, transfer, sub-division, consolidation, splitting of shares and for rendering depository services such as dematerialization 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.

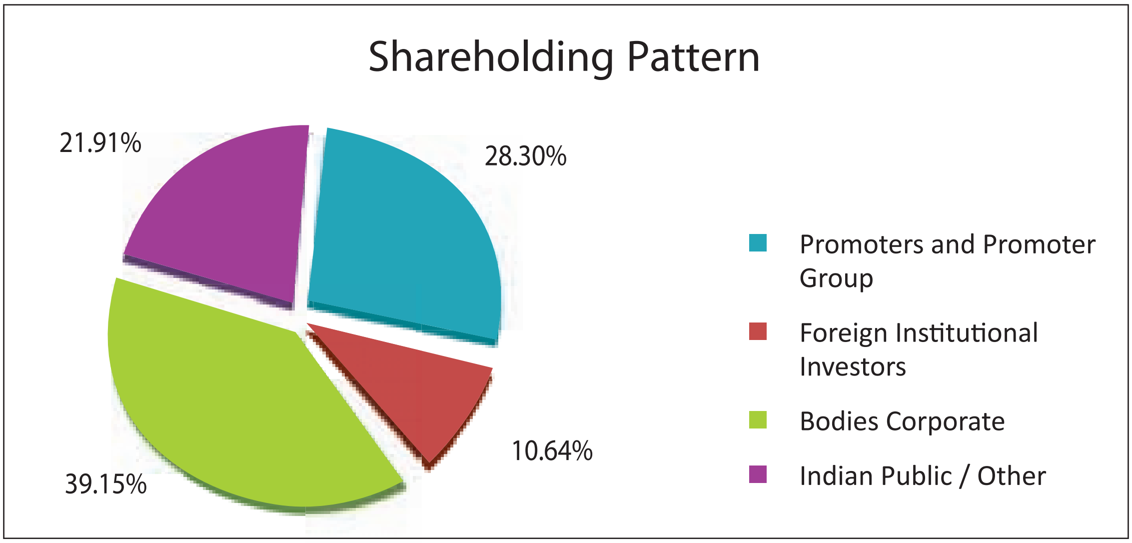
Shareholders/investors are requested to forward share transfer documents, dematerialization requests and other related correspondence directly to Investor Services of India Limited (ISIL) at the above address for speedy response.

P. Distribution of Holding as on 30th June 2011

SHARE HOLDING OF NOMINAL VALUE OF	SHARE HOLDERS		SHARE AMOUNT	
₹	Number	% to Total	In ₹	% to Total
(1)	**(2)**	**(3)**	**(4)**	**(5)**
Upto - 5,000	5348	82.66	78,54,480	2.06
5,001 - 10,000	526	8.13	42,84,510	1.13
10,001 - 20,000	258	3.99	38,98,140	1.02
20,001 - 30,000	63	0.97	16,24,120	0.43
30,001 - 40,000	37	0.57	12,80,510	0.34
40,001 - 50,000	42	0.65	19,66,810	0.52
50,001 - 1,00,000	66	1.02	48,67,960	1.28
1,00,001 and above	130	2.01	35,48,13,860	93.23
TOTAL	**6470**	**100.00**	**38,05,90,390**	**100.00**

Q. Shareholding Pattern as on 30th June 2011

Sr. No	Category of Shareholders	No. of Shareholders	Total No. of Shareholders	% of total Shareholding
1.	Promoters and Promoter Group	6	1,07,72,500	28.30
2.	Foreign Institutional Investors	8	40,47,941	10.64
3.	Bodies Corporate	305	1,48,99,690	39.15
4.	Indian Public/ Other	6151	83,38,908	21.91
	Total	**6470**	**3,80,59,039**	**100.00**



DECLARATION

The Board members & senior management personnel have affirmed compliance with the code of conduct for the directors & senior management for the year ended 30th June, 2011

For and on Behalf of the Board

Place: Mumbai
Date : August 30, 2011

V.K. CHATURVEDI
Managing Director

AUDITORS' CERTIFICATE

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, 2011 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.

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

Ashutosh Dwivedi
Partner
Membership No. 410227

Place : Mumbai
Date : August 30, 2011

AUDITORS' REPORT

To,

The Members of

USHER AGRO LTD.

We have audited the attached Balance Sheet of USHER AGRO LTD., as at 30th June, 2011 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, 2011 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 30th June, 2011 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, 2011 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.

For **PAREKH SHAH & LODHA**
Chartered Accountants
Firm Reg. No. 107487W

Ashutosh Dwivedi
(Partner)
M. No. : 410227

Place : Mumbai
Date : August 30, 2011

ANNEXURE TO AUDITORS' REPORT

(Referred to in paragraph 2 of our report of even date)

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 taken interest free unsecured loan from two parties listed in the register maintained under section 301 of the Companies Act, 1956. In respect of the said loans, the maximum balance outstanding at any time during the year is ₹ 59.21 Lacs and the year end balance is ₹ 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, 2011 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 Statue	Nature of dues	Period	Amount (₹ in Lacs)	Forum where dispute is pending
Sale Tax Act	Sales Tax	A.Y. 2009-10	239.54	Application made for rectification of order U/s 31 of UP VAT Acts. 2008, and company also gone in to the appeal with the appropriate forums.

10. There are no accumulated losses of the Company as on 30th June, 2011. 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 2010-11.

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 not raised any new term loans during the year, although disbursements have been taken for the term loans sanctioned in earlier year and the same have been applied for the purpose for which they were obtained.

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 short term basis that have been used for long term investment.

18. During the current financial period, the Company has made preferential allotment of 20,00,000 equity shares to two parties/companies covered in the Register maintained under Section 301 of the Companies Act, 1956. The said equity shares are allotted by conversion of 20,00,000 equity warrants issued to the said parties in the earlier years. In our opinion, the priceat 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. During the financial year the company has issued 1,07,96,800 equity share of ₹ 10 each, fully paid up at a premium of ₹ 82.62 per share by way of Qualified Institutional Placement (QIP).

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 period.

For **PAREKH SHAH & LODHA**
Chartered Accountants
Firm Reg. No. 107487W

Ashutosh Dwivedi
(Partner)
M. No. : 410227

Place : Mumbai
Date : August 30, 2011

BALANCE SHEET

as at 30th June, 2011

Amount in ₹

PARTICULARS	SCH.	30-Jun-11	30-Jun-10
SOURCES OF FUNDS			
SHARE HOLDERS FUND			
Share Capital	1	380,590,390	254,520,256
Reserves & Surplus	2	1,978,121,798	778,078,907
LOAN FUNDS			
Secured Loans	3	3,020,570,086	1,845,127,539
Unsecured Loans	4	200,000,000	300,000,000
Deferred Tax Liability	5	87,213,667	56,102,413
TOTAL		**5,666,495,941**	**3,233,829,115**
APPLICATION OF FUNDS			
FIXED ASSESTS	6		
Gross Block		1,739,993,664	895,790,205
Less :- Depreciation		202,706,881	116,372,428
Net Block		1,537,286,783	779,417,777
Capital Work in Progress		204,287,729	268,721,034
		1,741,574,512	**1,048,138,811**
INVESTMENTS	7	179,401,710	150,209,400
CURRENT ASSESTS LOANS & ADVANCES	8		
Inventories		2,266,405,805	1,348,411,373
Sundry Debtors		1,307,566,261	655,295,178
Cash & Bank Balance		496,046,537	247,857,883
Loans & Advances		108,068,226	36,544,771
		4,178,086,829	2,288,109,205
LESS:- CURRENT LIABILITIES & PROVISIONS	9		
Liabilities		318,445,615	234,483,299
Provisions		114,121,495	21,373,053
		432,567,110	255,856,352
Net Current Assests		**3,745,519,719**	**2,032,252,854**
MISCELLANEOUS EXPENDITURE	10	-	3,228,050
(to the extent not written off or adjusted)			
NOTES ON ACCOUNTS	16		
Schedules referred to here in form an integral part of the Balance Sheet			
TOTAL		**5,666,495,941**	**3,233,829,115**

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

For and on behalf of Board of Usher Agro Limited

Ashutosh Dwivedi
Partner
Membership No. 410227

Saurabh Mehta
Company Secretary

V. K. Chaturvedi
Managing Director

Manoj Pathak
Wholetime Director

Place : Mumbai
Date : August 30, 2011

PROFIT & LOSS ACCOUNT

for the year ended 30th June 2011

Amount in ₹

PARTICULARS	SCH.	2010-2011	2009-2010
INCOME			
Gross Sales			
- Domestic Sales		5,012,172,907	3,223,084,473
- Export Sales		595,284,243	196,956,356
		5,607,457,150	3,420,040,829
Other Income	11	17,992,992	5,448,838
Increase/(Decrease) in Stocks	12	333,102,178	133,893,689
TOTAL		**5,958,552,320**	**3,559,383,356**
EXPENDITURE			
Cost of Material Consumed	13	4,941,071,086	2,936,366,287
Manufacturing, Administrative & Other Expenses	14	253,494,873	137,668,522
Financial Expenses	15	218,401,763	140,673,438
Depreciation	6	87,008,967	53,470,826
TOTAL		**5,499,976,689**	**3,268,179,073**
Profit for the year		458,575,631	291,204,283
Less: i) Provision for Current Tax		69,844,819	42,589,585
ii) Deferred Tax Provision		31,111,254	13,432,040
iii) Provision for Tax for Earlier year		3,374,340	(80,016)
Profit after Tax		**354,245,218**	**235,262,674**
Add: Balance b/f from Previous Year		470,846,520	281,629,553
Balance available for appropriation		**825,091,738**	**516,892,227**
Less: i) Proposed Dividend		57,088,559	22,262,239
iii) Corporate Dividend Tax		9,702,201	3,783,468
iv) Transfer to General Reserves		40,000,000	20,000,000
Surplus carried over to Balance Sheet		**718,300,979**	**470,846,520**
Earnings Per Share (EPS) (face value of ₹ 10 each) -			
- Basic	Ref. note no. 2(14)	**11.98**	**10.91**
- Diluted	of Schedule - 16	**11.98**	**9.69**
NOTES ON ACCOUNTS	16		
Schedules referred to here in form an integral part of Profit & Loss Account			

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

For and on behalf of Board of Usher Agro Limited

Ashutosh Dwivedi
Partner
Membership No. 410227

Saurabh Mehta
Company Secretary

V. K. Chaturvedi
Managing Director

Manoj Pathak
Wholetime Director

Place : Mumbai
Date : August 30, 2011

CASH FLOW STATEMENT

for the year ended 30th June, 2011

Amount in ₹

	Particulars		30-Jun-11	30-Jun-10
A	**CASH FLOW FROM OPERATING ACTIVITIES :**			
	Net Profit before Tax & Extraordinary Activites		**458,575,631**	**291,204,283**
	Add.			
	Depreciation		87,008,967	53,470,826
	Loss on sale of Fixed Assets		71,368	-
	Less: Other Income		(17,992,992)	(5,448,838)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**527,662,974**	**339,226,271**
	Inventories		(917,994,432)	(707,831,764)
	Debtors		(652,271,083)	(285,434,378)
	Loans, Advances & Deposits		(71,523,455)	(10,512,496)
	Trade Payables		83,962,316	18,137,896
		Sub Total	(1,557,826,654)	(985,640,742)
	CASH GENEREATED FROM OPERATIONS		**(1,030,163,680)**	**(646,414,471)**
	Other Income		17,992,992	5,448,838
	Taxes Paid		(47,261,476)	(53,197,765)
		Sub Total	(29,268,484)	(47,748,927)
	NET CASH FROM OPERATING ACTIVITIES		**(1,059,432,164)**	**(694,163,398)**
B	**CASH FLOW FROM INVESTMENT ACTIVITIES**			
	Purchase of Fixed Assets /Investments		(845,319,340)	(76,900,375)
	Capital Work in progress		64,433,305	(206,259,665)
	Sale of fixed Assets / Investments		370,000	-
	Investments		(29,192,310)	(107,530,000)
	NET CASH USED IN INVESTING ACTIVITES		**(809,708,345)**	**(390,690,040)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from Issue of Shares & Share Application Money		1,038,658,566	146,136,702
	Proceeds from Long Term Borrowings		26,924,819	487,718,029
	Proceeds from Working Capital/Short Term Borrowings		1,048,517,728	709,682,862
	Dividend		-	(22,262,239)
	Miscellaneous/Deffered Expenses		3,228,049	3,228,049
	NET CASH USED IN FINANCING ACTIVITIES		**2,117,329,162**	**1,324,503,403**
	Net increase / decrease in Cash and Cash equivalents		248,188,654	239,649,965
	Cash and Cash Equivalents Opening		247,857,883	8,207,918
	Cash and Cash Equivalents Closing		**496,046,537**	**247,857,883**
	Details of Cash and Cash Equivalents			
	Cash in Hand		4,397,667	1,116,834
	Balance with scheduled banks			
	- In Current A/c		246,070,149	125,666,915
	- In Fixed Deposits A/c		225,112,567	112,967,799
	- In EEFC A/c		14,675,486	6,816,822
	- In No Lien A/c.		5,790,668	1,289,513
		Total	**496,046,537**	**247,857,883**

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

For and on behalf of Board of Usher Agro Limited

Ashutosh Dwivedi
Partner
Membership No. 410227

Saurabh Mehta
Company Secretary

V. K. Chaturvedi
Managing Director

Manoj Pathak
Wholetime Director

Place : Mumbai
Date : August 30, 2011

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 30TH JUNE, 2011

Amount in ₹

Particulars		30-Jun-11	30-Jun-10
SCHEDULE - 1 Share Capital			
Authorised Capital			
4,00,00,000 Equity Shares of ₹10/- each (P. Y. 3,40,00,000)		400,000,000	340,000,000
Issued Subscribed & Paid up Capital			
3,80,59,039 Equity Shares of ₹10/- each Fully Paid Up		380,590,390	222,622,390
(Previous Year 2,22,62,239)			
Equity Share Application Money: Pending Allotment		-	31,897,866
	TOTAL	**380,590,390**	**254,520,256**
SCHEDULE - 2 Reserve & Surplus			
General Reserves at the beginning of the year		65,200,000	45,200,000
Add: Transfer from P&L during the year		40,000,000	20,000,000
	A	**105,200,000**	**65,200,000**
Securities Premium		242,032,387	115,377,051
Add: Received during the year		948,148,232	129,883,384
		1,190,180,619	245,260,435
Less: Public Issue Expenses Write Off		3,228,050	3,228,048
Less: QIP Expenses Write Off		32,331,750	-
	B	**1,154,620,819**	**242,032,387**
Profit & Loss Account balance	**C**	718,300,979	470,846,520
	TOTAL (A+B+C)	**1,978,121,798**	**778,078,907**
SCHEDULE - 3 Secured Loans			
- **Term Loans**			
Opening Balance		649,583,657	382,750,000
Add: Disbursed during the year		142,249,410	363,900,000
		791,833,067	746,650,000
Less : Installments repaid during the year (Repayment of principal due in next one year ₹ 20,77,60,321/-) (P.Y 16,41,79,998/-)		164,179,998	97,066,343
	A	627,653,069	649,583,657
- **External Commercial Borrowing**	**B**	240,171,858	249,813,566
- **Buyers Credit for Purchase of Capital Goods**	**C**	63,391,450	-
- **Equipments & Vehicle Loans** (Repayment of principal due in next one year ₹ 45,48,971/- P.Y. ₹ 56,44,335/-)	**D**	13,763,105	18,657,440
- **Working Capital Loans**	**E**	2,075,590,604	927,072,876
	TOTAL (A+B+C+D+E)	**3,020,570,086**	**1,845,127,539**
SCHEDULE - 4 Unsecured Loans			
From Banks		200,000,000	300,000,000
	TOTAL	**200,000,000**	**300,000,000**
SCHEDULE - 5 Deffered Tax Liability			
At the beginning of the year		56,102,413	42,670,373
Add : Additions during the year		31,111,254	13,432,040
	TOTAL	**87,213,667**	**56,102,413**

SCHEDULE - 6 Fixed Assets

Amount in ₹

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 1-Jul-10	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	TOTAL AS ON 30.6.2011	AS ON 1-Jul-10	FOR THE YEAR	FOR THE YEAR	AS ON 30-Jun-11	AS ON 30-Jun-11	AS ON 30-Jun-10
LAND	26,289,116	103,914,414	-	130,203,530	-	-	-	-	130,203,530	26,289,116
OFFICE BUILDING	25,572,706	-	-	25,572,706	534,278	416,836	-	951,114	24,621,592	25,038,428
BUILDING	185,407,365	136,950,028	-	322,357,393	16,977,813	7,389,019	-	24,366,832	297,990,561	168,429,552
GODWONS	9,678,173	42,702,730	-	52,380,903	240,656	1,430,077	-	1,670,733	50,710,170	9,437,517
PLANT & MACHINERY	614,133,761	555,555,116	-	1,169,688,877	91,756,555	74,267,207	-	166,023,762	1,003,665,115	522,377,206
ELECTRICAL INSTALLATION	4,187,417	-	-	4,187,417	1,443,484	432,981	-	1,876,465	2,310,952	2,743,933
COMPUTER & PRINTER	3,447,616	1,081,802	-	4,529,418	1,111,075	668,133	-	1,779,208	2,750,210	2,336,541
TUBE WELL, WATER TANKS & PIPINGS	873,016	-	-	873,016	51,877	14,231	-	66,108	806,908	821,139
FURNITURE & FIXTURE	4,446,638	1,379,646	-	5,826,284	643,538	311,589	-	955,127	4,871,157	3,803,100
VEHICLE	9,260,565	2,181,075	946,253	10,495,387	2,906,000	918,763	674,514	3,150,249	7,345,138	6,354,565
OFFICE EQUIPMENT	3,277,034	882,764	-	4,159,798	262,234	194,134	-	456,368	3,703,430	3,014,800
LABORATORY & STORE EQUIPMENTS	9,216,797	502,137	-	9,718,934	444,918	965,997	-	1,410,915	8,308,019	8,771,879
TOTAL	**895,790,205**	**845,149,713**	**946,253**	**1,739,993,664**	**116,372,428**	**87,008,967**	**674,514**	**202,706,881**	**1,537,286,783**	**779,417,777**
PREVIOUS YEAR TOTAL	**818,889,831**	**78,900,374**	**2,000,000**	**895,790,205**	**62,901,602**	**53,548,075**	**77,249**	**116,372,428**	**779,417,777**	**755,988,229**

Amount in ₹

Particulars		30-Jun-11	30-Jun-10
SCHEDULE - 7 Investments			
Non Trade Investments			
- **Long Term Investments (Unquoted - at cost)**			
In Subsidiary Company			
1,36,64,500 (P.Y. 45,47,500) Equity Shares of ₹ 10 each fully paid up of Usher Eco Power Limited		136,645,000	45,475,000
	A	136,645,000	45,475,000
- **In Equity Share Application Money Pending for allotment**			
- Usher Eco Power Limited		32,492,310	91,170,000
- Usher Infra Logic Limited		1,014,300	4,314,300
- Usher Oils & Foods Limited		9,250,100	9,250,100
	B	42,756,710	104,734,400
	TOTAL (A+B)	**179,401,710**	**150,209,400**
SCHEDULE - 8 Current Assests, Loan & Advances			
Current Assests			
Inventories (Taken, valued & certified by Director)	A	**2,266,405,805**	**1,348,411,373**
Sundry Debtors (Unsecured considered good)			
Exceeding six months		7,871,845	2,554,910
Others less than six months		1,299,694,416	652,740,268
	B	**1,307,566,261**	**655,295,178**
Cash & Bank Balances			
Cash in Hand		4,397,667	1,116,834
Balance with scheduled banks			
- In Current A/c		246,070,149	125,666,915
- In Fixed Deposits A/c		225,112,567	112,967,799
- In EEFC A/c		14,675,486	6,816,822
- In No Lien A/c.		5,790,668	1,289,513
	C	**496,046,537**	**247,857,883**
Loans & Advances			
(Unsecured, considered good) (Advance recoverable in cash or kind or for the value to be received)		98,385,328	33,196,502
Deposits		9,682,898	3,348,269
	D	**108,068,226**	**36,544,771**
	TOTAL (A+B+C+D)	**4,178,086,829**	**2,288,109,205**
SCHEDULE - 9 Current Liabilities & Provisions			
Current Liabilites			
Sundry Creditors/Bill Payables		286,774,792	210,873,258
Sundry Creditors for expenses		30,816,645	21,782,383
Advance from Customers		-	351,412
Interest Accrued but not due		854,178	1,476,246
	A	**318,445,615**	**234,483,299**
Provision for			
Income Tax		47,330,736	17,589,585
Dividend		57,088,559	-
Corporate Dividend Tax		9,702,201	3,783,468
	B	**114,121,495**	**21,373,053**
	TOTAL (A+B)	**432,567,110**	**255,856,352**
SCHEDULE - 10 Miscellaneous Expenditure			
(To the extent not written off or adjusted)			
Qualified Institutional Placement Expenses			
As per last Balance Sheet		-	-
Add :- Incurred during the year		32,331,750	-
		32,331,750	-
Less :- Written off during the year from Security premium		32,331,750	-
		-	-
Deffered Revenue Expenses			
As per last Balance Sheet		3,228,050	6,456,098
Add :- Incurred during the year (Public Issue Exp.)		-	-
		3,228,050	6,456,098
Less: Written off during the year from securities premium		3,228,050	3,228,048
		-	3,228,050
	TOTAL	-	**3,228,050**

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED 30TH JUNE, 2011

Amount in ₹

Particulars		2010-2011	2009-2010
SCHEDULE - 11 Other Income			
Service Charges / Disc. Received		115,277	497,765
Income From Non trade Investment		668,321	-
Misc Income including Hulling Charges		1,453,894	2,359,969
Interest on Margin Money/FDR/Deposits (Includes TDS of ₹ 19,83,590/- P.Y. ₹ 2,19,744/-)		15,548,359	2,211,104
Subsidy on Power Plant		-	-
Rent-Received		207,141	380,000
	TOTAL	**17,992,992**	**5,448,838**
SCHEDULE - 12 Increase/(Decrease) in Stocks			
Closing Stock			
Finished Goods		744,009,696	410,907,518
	A	**744,009,696**	**410,907,518**
Opening Stock			
Finished Goods		410,907,518	277,013,829
	B	**410,907,518**	**277,013,829**
Increase/(Decrease) in Stocks	**TOTAL (A-B)**	**333,102,178**	**133,893,689**
SCHEDULE - 13 Cost of Material Consumed			
Opening Stock			
Raw Materials		934,802,845	361,202,780
Packing Materials		2,701,010	2,363,000
		937,503,855	363,565,780
Purchases			
Materials including Packing Material		5,525,963,340	3,510,304,362
		6,463,467,195	3,873,870,142
Less :- Closing Stock Raw Materials		1,514,723,853	934,802,845
Less :- Closing Stock Packing Materials		7,672,256	2,701,010
	TOTAL	**4,941,071,086**	**2,936,366,287**

Amount in ₹

Particulars	2010-2011	2009-2010
SCHEDULE - 14 Manufacturing, Administrative & Other Expenses		
Wages & Salaries	71,723,582	41,828,515
Staff Welfare Exp.	1,995,651	1,367,976
Power & Fuel	57,254,628	31,625,165
Freight & Cartage	11,367,169	6,642,812
Export Freight	23,205,646	2,120,142
Stores & Spares Consumed	3,233,775	1,966,434
Travelling & Conveyance	4,691,370	3,010,757
Printing & Stationery	2,122,002	1,385,538
Directors Remuneration	3,000,000	2,175,000
Director's Sitting Fee	470,000	290,000
Postage, Courier & Telephone	1,702,739	968,663
Insurance	1,362,121	1,308,861
Rent	1,419,360	837,173
Warehousing Charges	26,274,192	25,334,683
Repairs & Maintenance - Plant & Machinery	5,492,039	2,850,238
Repairs & Maintenance - Building	1,704,890	1,422,545
Running & Maintenance - Vehicle	3,362,540	1,141,876
Repairs & Maintenance - Others	1,064,136	582,845
Subscriptions & Membership	725,624	-
Legal & Professional Fees	4,141,302	1,845,300
Loss/(Gain) on Foreign Exchange Fluctuation	1,683,079	(1,248,000)
Office & Misc Expenses	2,520,509	1,201,554
Quality Control Expenses	1,994,879	1,537,149
Internal Audit Fee	475,000	330,450
Gratuity	378,221	408,752
Rebate & Discount	2,317,923	328,215
Loss on Sales of Car	71,368	-
Filing fees / R.O.C fee	201,842	206,609
Handling Charges	2,082,473	1,327,322
Brokerage & Commission	9,449,798	3,414,478
Advertisement & Sales Promotion	5,607,015	1,152,220
Audit fees	400,000	305,250
TOTAL	**253,494,873**	**137,668,522**
SCHEDULE - 15 Financial Expenses		
Bank charges	20,572,796	10,819,307
Bank Interest	197,536,762	128,364,375
Interest Others	292,205	1,489,755
TOTAL	**218,401,763**	**140,673,438**

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 Policy

The company was following the policy to write off public issue/QIP/ any other capital raising issue expenses in five equally installments from/against security premium reserve. During the accounting year the company has changed the above accounting policy to write off entire expenses of any issue of capital in the year which they have incurred from/against the security premium account and the change in accounting policy is not having any impact on the profit & loss for the financial year.

Accordingly during the year the company has incurred ₹ 323.32 lacs for QIP issue expenses which have been written off against the security premium account.

(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. The cost of acquisition is further adjusted for exchange difference relating to long term foreign currency borrowing attributable to the acquisition of depreciable assets.

(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 factors. 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 recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

Income from Services

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

Interest

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

(j) Deferred Revenue Expenditure

Any expense which is the nature of Preliminary expenses, has write off in the year which they have incurred from/ against the Profit & Loss Account.

Any expenses related to public issue/QIP/any other capital raising issue has write off entire expenses in the year which they have incurred from/against the 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 years.

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

Primary segment is identified based on the nature of products and services. Secondary segment is identified based on geography in which major operating division of the company operate.

For primary segment, the segment revenue, segment expenses, segment assets and segment liabilities have been identified to segment on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the group as a whole and are not allocable to segment on reasonable basis, have been included under 'Unallocated revenue/expenses/assets/liabilities".

(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 and Contingent Liabilities

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. Liabilities whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent and disclosed by way of Notes on Accounts.

(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 management to make estimates and assumptions 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. Although these estimates are based upon management best knowledge of current events and actions. 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 three different business segments i.e. food processing, Bio-mass power generation and logistic. However, considering their size, volume of operations the same are not qualified into the reporting criteria of Business segments as described in the accounting Standard (AS) 17 as Segment Reporting, issued by the Institute of Chartered Accountants of India (ICAI). Hence no disclosure is required to be made under AS-17 as Segment Reporting.

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. an 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 :-

Information about Secondary Segments **(₹ in lacs)**

	For the year ended 30th June, 2011	For the year ended 30th June, 2010
Revenue By Geographical Market		
India	50,121.73	32,230.84
Outside India	5,952.84	1,969.56
Total	56,074.57	34,200.41
Addition To Fixed Assets And Intangible Assets (Include Capital work in progress)		
India	7,797.70	2.831.60
Outside India	—	—
Total	7,797.70	2.831.60
Carrying Amount Of Assets		
India	17,415.75	10,481.39
Outside India	—	—
Total	**17,415.75**	**10,481.39**

Notes:- The geographical segments considered for disclosure are as follows :

- Sales within India includes Sales to Customers located within India
- Sales Out side India includes Sales to customers located outside India including merchant exporters.
- The carrying amount of segment assets in India and Outside India is based on geographical location of the respective assets

2. Details of Securities given for secured Loan

(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 ₹ 12.60 Crore (P.Y. ₹ 20.30 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 the said loans.

3. Details of capital work in progress

(i) Capital Work in Progress as on 30th June, 2011 is ₹ 2,042.87 LACS (P.Y. ₹ 2,687.21 lacs) is related to expansion project at Chhatta 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 ₹ 44,87,765/- (P.Y. ₹ 2,62,89,695/-) 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 ₹ 1,94,52,858 (P.Y. ₹ 52,88,130/-) which is related to the capital assets under construction having substantial period of completion is also included in CWIP to be 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	Usher Eco Power Limited (Subsidiary company from 22nd August, 2010)
Names of other related parties with whom transactions have taken place during the year	
Associates	Usher Eco-Power Limited (Upto 21st August,2010)
Key Management Personnel	Mr. V. K. Chaturvedi (Managing Director) Mr. Manoj Pathak (Whole Time Director)
Relatives of key management personnel	Mrs. Samta Chaturvedi, wife of Managing Director Mr. V. K. Chaturvedi Mrs. Shimla pathak, Wife of Whole Time Director Mr. Manoj Pathak
Enterprises owned or significantly influenced by key management personnel or their relatives	Usher Oils & 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 ₹)

Particulars	Subsidiary		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	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010
Employee Benefits for Key Management Personnel										
Mr. V. K. Chaturvedi	-	-	**18,00,000**	13,00,000	-				**18,00,000**	13,00,000
Mr. Manoj Pathak	-	-	**12,00,000**	8,75,000	-				**12,00,000**	8,75,000
Share Application Money received										
Narayani Nivesh Nigam Pvt. Ltd.	-	-	-	-	-	-	**99,93,750**	5,15,06,250	**99,93,750**	5,15,06,250
Usher Capitals Limited	-	-	-	-	-	-	**61,50,000**	5,53,50,000	**61,50,000**	5,53,50,000
Share Application Money Refund										
Mr. V. K. Chaturvedi	-	-	-	2,24,16,500-	-	-				2,24,16,500
Loan/Business Advances Taken/repayment										
Usher Eco power Ltd.	**63,00,000**	28,62,434	-	-	-	-	-	-	**63,00,000**	28,62,434
Usher Oil & food ltd	-	-	-	-	-	-	**63,87,265**	-	**63,87,265**	-
Loan/Business Advances Given/repaid		-							-	
Usher eco power Ltd.	**63,00,000**	28,62,434	-	-	-	-	-	-	**63,00,000**	28,62,434
Vedika Finance P. Ltd	-	-	-	-	-	-	-	34,91,950	-	34,91,950
Usher Oil & food ltd	-	-	-	-	-	-	**63,87,265**	-	**63,87,265**	-
Rent Income (Truck/ office)										
M/s Usher Eco Power Limited	**73,570**	1,20,000	-	-	-	-	-	-	**73,570**	1,20,000
M/s Usher Infra Logic Limited	-	-	-	-	-	-	**1,33,571**	1,30,000	**1,33,571**	1,30,000
M/s Usher Oils & Foods Limited	-	-	-	-	-	-	-	1,30,000	-	1,30,000
Rent Expenses (Trucks/ Office)										
M/s Usher Infra Logic Limited	-	-	-	-	-	-	**73,64,137**	22,25,000	**73,64,137**	22,25,000
Narayani Nivesh Nigam Pvt. Ltd.	-	-	-	-	-	-	**1,85,715**	-	**1,85,715**	-
Mrs. Shimla Pathak	-	-	-	-	-	-	**1,20,000**	-	**1,20,000**	-
Reimbursement										
Incurred by related party on over Behalf										
Narayani Nivesh Nigam Pvt. Ltd.	-	-	-	-	-	-	**1,60,055**	-	**1,60,055**	-
Incurred for related party										
Usher Infra Logic Ltd	-	-	-	-	-	-	**40,702**	-	**40,702**	-
Investments (including Share Application Money)										
Usher Eco Power Limited	**3,24,92,310**	10,11,20,000	-	-	-	-	-	-	**3,24,92,310**	10,11,20,000
Usher Oils & Foods Limited	-	-	-	-	-	-	-	49,40,000	-	49,40,000
Usher Infra Logic Limited	-	-	-	-	-	-	**(33,00,000)**	15,00,000	**(33,00,000)**	15,00,000
Balances Outstanding at the year end*										
Mr. V. K. Chaturvedi	-	-	**8,26,437**	68,219	-	-	-	-	**8,26,437**	68,219
Mr. Manoj Pathak	-	-	**1,00,000**	92,790	-	-	-	-	**1,00,000**	92790
Vedika Finance (P) Ltd.	-	-	-	-	-		-	-	-	-
M/s Usher Eco Power Limited	-	-	-	-	-	-	-	-	-	-
M/s Usher Infra Logic Limited	-	-	-	-	-	-	-	-	-	-
Narayani Nivesh Nigam Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-
Usher Oils & Foods Limited	-	-	-	-	-	-	-	-	-	-
Totals Balance outstanding.	-	-	**9,26,437**	**1,61,009**	-	-	-	-	**9,26,437**	**1,61,009**

* excluding investments and share application money received and paid.

5. Leases

In case of assets taken 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	
	₹	₹
	2011	2010
Lease payments for the year	**2,76,93,572**	2,61,71,856
Minimum Lease Payments :		
Not later than one year	**45,44,420**	65,43,289
Later than one year but not later than five years	**-**	-
Later than five years	**-**	-
	3,22,37,992	7,15,145

(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, 2011 are ₹ 2,07,141/- (P.Y. ₹ 3,80,000/-). 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	45,000	–	–

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	2011	2010
Estimated amount of contracts remaining to be executed on capital account and not provided for.	**44.35**	1,071.73
	44.35	1,071.73

8. Provisions and Contingencies

(₹ in lacs)

Contingent Liabilities not provided for	2011	2010
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 ₹ 94.87 Lacs (P.Y. ₹ 86.61 Lacs) have been kept with respective bankers for the said letter of credit)	**276.15**	277.63
Letter of Credit issued by the Bankers of the Company for import of capital goods*. (Fixed deposits in the form of margin money including interest thereon of ₹ 810.00 Lacs have been kept with respective bankers for the said letter of credit)	**796.75**	637.69
* Converted on the foreign exchange conversion rate prevailing on the date of Balance Sheet.		
Bank guarantees issued by the bankers of the Company for EPCG License (Fixed deposits of ₹ 27.68 Lacs (P.Y. ₹ 16.80) have been kept with respective Banks for the said bank guarantees)	**27.68**	16.80
Sales Tax Liability in respect of A.Y. 2003-04 and 2004-05 for which the company has gone in to the appeals with the appropriate forums.	**Nil**	6.10
Sales Tax Liability in respect of A.Y. 2009-10 for which the company has made application for rectification of order U/s 31 of UP VAT Acts. 2008, and company also gone in to the appeal with the appropriate forums.	**239.54**	—
Custom duty saved on Import of capital goods under EPCG Licence Scheme (Export obligation under the said EPCG License ₹ 1951.19 lacs)	**251.44**	60.86
Total	**1383.75**	999.08

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	30.06.2011	30.06.2010
	₹	₹
Employer's contribution to Provident Fund, ESIC and Group Insurance	**23,84,612**	15,18,254

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

Particulars	30-06-2011	30-06-2010
	₹	₹
Opening defined benefit obligation	16,22,021	12,05,645
Interest cost	1,29,762	96,452
Current service cost	12,13,967	7,70,256
Past Service cost(Non Vested Benefits)	-	15,249
Past Service cost (Vested Benefits)	-	2,66,936
Benefit paid	-	-
Actuarial (gain)/losses on obligation	(9,61,513)	(7,32,517)
Closing defined benefit obligation	20,04,237	16,22,021

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

Particulars	30-06-2011	30-06-2010
	₹	₹
Opening fair value of plan assets	-	-
Expected return	8,125	-
Contributions by employer	2,50,000	-
Benefits paid	-	-
Actuarial gains / (losses)	3,494	-
Closing fair value of plan assets	2,61,619	-

(iv) Fair value of plan assets:

Particulars	30-06-2011	30-06-2010
	₹	₹
Fair value of plan assets at the beginning of period	-	-
Actual Return of plan assets	11,619	-
Contributions	2,50,000	-
Benefits paid	-	-
Fair value of the plan assets at the end of period	2,61,619	-
Funded status (including unrecognized past service cost)	(17,42,618)	(16,22,021)
Excess of actual over estimated return on plan assets	3,494	(16,22,021)

(v) Experience History

Particulars	30-06-2011	30-06-2010
	₹	₹
(Gain)/Loss on obligation due to change in Assumption	(7,24,805)	-
Experience (Gain)/ Loss on obligation	(2,36,708)	-
Actuarial Gain/(Loss) on plan assets	3,494	-

(vi) Actuarial gain/(loss) recognized

Particulars	30-06-2011	30-06-2010
	₹	₹
Actuarial gain/(loss) for the period – obligation	9,61,513	7,32,517
Actuarial gain/(loss) for the period – plan assets	3,494	-
Total gain/(loss) for the period	9,65,004	7,32,517
Actuarial gain/(loss) recognized for the period	9,65,004	7,32,517
Unrecognized actuarial gains / (loss) at the end of the period	-	-

(vii) Past Service cost recognised

Particulars	30-06-2011	30-06-2010
	₹	₹
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)	**7,624**	7,625
Recognized Past Service Cost – (vested benefits)	-	2,66,936
Unrecognized Past Service Cost – non vested benefits	-	7,624

(viii) The amount recognised in the Balance Sheet

Particulars	30-06-2011	30-06-2010
	₹	₹
Present value of obligation at the end of the year	**20,04,237**	16,22,021
Fair value of plan assets at the end of the year	**2,61,619**	-
Funded status	**(17,42,618)**	(16,22,021)
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	**(17,42,618)**	(16,14,397)

(ix) Expenses recognized in the Profit & Loss account

Particulars	30-06-2011	30-06-2010
	₹	₹
Current service cost	**12,13,967**	7,70,256
Interest cost on benefit obligation	**1,29,762**	96,452
Expected return on plan assets	**(8,125)**	-
Net actuarial(gain) / loss recognised in the year	**(9,65,007)**	(7,32,517)
Past service cost- Non Vested Benefits	**7,624**	7,625
Past Service cost -Vested Benefits	-	2,66,936
Expenses recognized in the Profit & Loss A/c	**3,78,221**	4,08,752

Balance sheet

(x) Details of Provision for gratuity

Particulars	30-06-2011	30-06-2010
	₹	₹
Net liability at the beginning of the year	**16,14,397**	12,05,645
Expenses recognized during the year	**3,78,221**	4,08,752
Contribution paid during the year	**(2,50,000)**	-
Net liability at the end of the year	**17,42,618**	16,14,397

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

Particulars	30-06-2011	30-06-2010
	₹	₹
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	**6.00%**	1.00%
Expected average remaining service	**12.37 Yrs.**	22.91 Yrs.

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
30-06-2011	Nil	Nil	Nil
30-06-2010	Wheat	5,240	10 MT

Outstanding Interest rate swaps to hedge against fluctuations in interest rate change.

As at	No. of Contract	Amount (In USD)	Amount (In ₹)
30-06-2011	1	53,70,569.28	24,01,71,858
30-06-2010	1	53,70,569.28	24,98,13,566

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

Particulars	**Amount**
Buyers Credit for Capital Goods	₹ 6,33,91,450/- (USD 14,17,519) {P.Y. NIL}
Creditors for Capital Goods	₹ 9,01,45,120/- (USD 12,41,505.35), (JPY 6,25,00,000) {P.Y ₹ 2,16,88,945/- (USD 4,66,978.25)}
Foreign Currency Loan	₹ 24,01,71,858/- (USD 53,70,569.28) {P.Y ₹ 24,98,13,566/- (USD 53,70,569.28)}
EEFC Account	₹ 1,46,75,446 /- (USD 3,28,163.83) {P.Y. ₹ 68,16,821/- (USD 1,49,179.84)}
Foreign Debtors	₹ 4,65,96,335/- (USD 10,41,957.41) (P.Y. ₹ 1,29,54,840/- (USD 2,78,926.83))
Advance for Import of Capital Goods	₹ Nil {P.Y. ₹ 2,67,06,048/- (USD 5,75,000)}

* 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	20010-11	2009-10
I)	Net Profit after tax as per profit and loss account	**3,542.45**	2,352.63
ii)	Net Profit attributable to equity share holders	**3,542.45**	2,352.63
iii)	Net Profit before exceptional item	**3,542.45**	2,352.63
iv)	Weighted Average number of equity shares used as denominator for calculation of Basic EPS	**2,95,78,745**	2,15,71,828
v)	Weighted Average number of equity shares used as denominator for calculation of Diluted EPS*	**2,95,78,745**	2,42,84,157
vi)	Basic and Diluted EPS - Basic - Diluted	**11.98** **11.98**	10.91 9.31
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, 2011, 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:-

(₹ in lacs)

Particulars	As at 30.06.11	As at 30.06.10
Deferred Tax Liabilities		
Difference between carrying Amount of Fixed assets in the books and the Income Tax Return	**870.23**	561.69
Deferred Tax Assets		
Provision for Gratuity	**2.64**	1.39
Preliminary Expenses	**(0.73)**	(0.73)
Others disallowances under the Income Tax Act, 1961	**-**	-
Total	**1.91**	0.66
Net Deferred Tax Liability	**872.14**	561.02
Net Deferred Tax (Credit)/Charge to Profit & Loss A/c	**311.11**	**134.32**

16. Auditors Remuneration is as under:

Particulars	2010-2011 ₹ in lacs	2009-2010 ₹ in lacs
Audit Fees	**2.27**	2.27
Tax Audit Fees	**1.36**	0.50
Certification and other matters	**-**	-
Service Tax	**0.37**	0.29
Total	**4.00**	3.05

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 interalia to partly fund the ongoing rice milling capacity expansion project of the company at Chatta, U.P. and investment in group / associate companies.

The said warrants are have already converted into the equity shares. The said shares are now listed with The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited. Detail of the same are as follows:

Sr. No.	Date of Conversion of warrants in share	No. of equity shares of ₹ 10 each, fully paid up
1	10th March, 2010	10,00,000
2	24th Jan, 2011	15,00,000
3	8th April, 2011	14,00,000
4	13th June, 2011	21,00,000
	Total	**60,00,000**

QUALIFIED INSTITUTIONAL PLACEMENT

On 2nd December,2010 the company has issue 1,07,96,800 equity share of ₹ 10 each, fully paid up at a premium of ₹ 82.62 per share by way of QIP.

18. Subsidairy Company

As on date, the company has one subsidiary company namely Usher Eco Power Limited holding 1,36,64,500 equity shares of ₹ 10 each. the company holds 70.18% stake in the said company. Consolidated financial statement is prepared as prescribed in AS-21 and attached herewith.

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 profit/ (Loss) of ₹ 0.99 lacs (P.Y. 2.39 lacs) has been reduced/added from CWIP/pre operative expenses account.

20. Government Grants

During the Accounting year 2010-11, company has not received any government subsidy. However in previous year the company has received government grant of ₹ 20.00 lacs from Utter Pradesh State Electricity Board 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	2011 (₹ in Lacs)	2010 (₹ in Lacs)
Salaries	**30.00**	21.75
Total	**30.00**	21.75

The above remuneration includes allowances and perquisite provided to directors.

Notes: The above remuneration does not include provision for compensated absences and contribution to gratuity fund since it is based on actuarial valuation for the Company as a whole.

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

Particulars	2011 ₹ in Lacs	2010 ₹ in Lacs
Profit as per Profit and Loss Account	**3,542.45**	2,352.,63
Add:		
Directors' remuneration	**30.00**	21.75
(Loss)/Profit on sale of fixed assets as per Section 349 of the Companies Act, 1956	**-**	-
Provision for doubtful debts and advances	**-**	-
Less:		
Profit on sale of fixed assets (net) as per Profit and Loss account	**-**	-
Net profit as per Section 349 of the Companies Act, 1956	**3,572.45**	2,374.38
Maximum permissible commission to Managing and Wholetime Directors at 10% of the net profits as calculated above	**357.24**	237.43
Maximum permissible commission to other directors at 1% of the net profits as calculated above	**35.72**	23.74
Actual commission paid to the Managing and Wholetime Director	**Nil**	Nil
	392.96	**261.17**

21.3 Earnings in foreign currency (Cash/Accrual basis)

Export Sales on FOB Basis* **₹ 3,362.04 lacs** (P.Y. ₹ 1,948.36)

21.4 Expenditure in foreign currency (Cash/Accrual basis)

Particulars	2011 ₹ in lacs	2010 ₹ in lacs
Interest on Buyers Credit	**9.22**	7.42
Foreign LC Charges	**38.47**	9.61
Professional Fee	**7.93**	1.19
Travelling Expenses	**15.32**	18.54
Interest payable / Paid on ECB	**138.82**	3.76
Commission	**0.69**	-
Total	**210.45**	40.52

* Export sales exclude sales to merchant exporter

21.5 Value of imports calculated on CIF basis Capital goods ₹ 2,467.64 Lacs (P.Y. ₹ 376.19)

21.6 Net dividend remitted in foreign exchange (All are in ₹ except nos.)

Particulars	2010-11	2009-10
Number of Non-resident shareholders	**88**	210
Number of Equity Shares held by them	**54,42,405**	21,46,508
Amount of dividend paid (Gross), TDS ₹ Nil	**-**	17,34,527
Year to which dividend relates	**-**	2009-10

21.7 Investment in Mutual fund

Particulars	No. of Unit Purchase	No. of Unit Sale
LIC MF	28,50,090.918	28,50,090.918
Escurts MF	13,79,662.396	13,79,662.396

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	
		2011	2010	**2011**	2010	**2011**	2010
Paddy Milling	MT	**N.A.**	N.A.	**5,43,600***	2,52,000	**2,19,288**	1,29,299
Wheat Processing	MT	**N.A.**	N.A.	**75,000**	75,000	**61,633**	50,626

* The installed capacity including 2,91,600 MTPA rice milling capacity expansion project at Chhata Unit which has installed and started commercial production w.e.f. 28th March,2011.

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.

22.2 Details of Materials, Consumption & Inventory :

	Particulars	Qty	Value	Qty	Value
		in Qtls	**(₹ in Lacs)**	in Qtls	(₹ in Lacs)
		30-Jun-11	**30-Jun-11**	30-Jun-10	30-Jun-10
A.	**Opening Stock**				
	Paddy & Dehusked Raw Rice	**3,95,084**	**8,557.65**	1,66,741	1,855.99
	Finished Rice	**1,67,225**	**3,954.99**	69,385	1,203.87
	Wheat	**70,818**	**790.37**	1,57,556	1,756.04
	Husk	**15,425**	**26.22**	12,690	25.25
	Bran	**9,196**	**57.32**	11,996	68.75
	Wheat Products	**5,915**	**70.54**	1,29,622	1,472.27
	Packing Material	**-**	**27.01**	-	23.63
B	**Purchases**				
	Paddy & Dehusked Raw Rice	**27,89,654**	**47,121.40**	15,21,333	29,640.14
	Wheat	**5,96,009**	**7,325.53**	4,19,525	5,068.47
	Packing Material	**-**	**812.71**	-	394.44
C	**Material consumed**				
	Paddy & Dehusked Raw Rice	**24,02,880**	**41,155.87**	12,92,991	22,938.48
	Wheat Consumed	**6,16,329**	**7,491.84**	5,06,263	6,034.13
	Packing Material Consumed	**-**	**762.99**	-	391.06
	Husk Consumed	**1,54,500**	**-**	86,780	-
	(Increase)/Decrease in finished goods	**-**	**(3,331.02)**		(1,338.94)
D	**Sales**				
	Rice	**16,68,685**	**45,122.46**	9,51,603	24,841.88
	Wheat Product	**6,26,461**	**9,320.30**	6,41,142	8,858.68
	Bran	**1,38,235**	**1,210.46**	57,500	409.28
	Husk	**2,44,387**	**421.35**	51,315	90.57
E	**Closing Inventories**				
	Finished Rice	**2,87,728**	**7,142.70**	1,67,225	3,954.99
	Husk	**13,594**	**23.19**	15425	26.22
	Paddy & Dehusked Raw Rice	**7,81,858**	**14,523.18**	3,95,084	8,557.65
	Bran	**14,702**	**130.28**	9,196	57.32
	Wheat	**50,497**	**624.06**	70,818	790.37
	Wheat Product	**11,329**	**143.93**	5,915	70.54
	Packing Materials	**-**	**76.72**	-	27.01

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 Board of Usher Agro Limited

Ashutosh Dwivedi
Partner
Membership No. 410227

Saurabh Mehta
Company Secretary

V. K. Chaturvedi
Managing Director

Manoj Pathak
Wholetime Director

Place : Mumbai
Date : August 30, 2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Additional Information persuant to Part IV of Scheduled VI to the Companies Act, 1956

1 Registration Details

Registration No.	L01100MH1996PLC100380	State Code	11
Balance sheet date	30/06/2011		

2 Capital raised during the year (Amount in ₹ Thousand)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	157968

3 Position of Mobilisation and Deployment of fund (Amount in ₹ Thousand)

Total Liabilities	5666496	Total Assests	5666496
Sources of Fund			
Paid up Capital	380590	Reserves & Surplus	1978122
Secured Loans	3020570	Unsecured Loans	200000
Share Application Money	NIL	Other Tax Liability	87214
Application of Funds			
Net fixed Assests	1741575	Investments	179402
Net Current Assests	3745520	Misc Expenditure	NIL
Accumalated Losses	NIL		

4 Performance of Company (Amount in ₹ Thousand)

Turnover	5625450	Total Expenditure	5499977
Profit/Loss Before Tax	458576	Profit/Loss after Tax	354245
(Please tick appropriate box + for profit, - for loss)			
Earning per Share in ₹	11.98	Dividend Rate (%)	15%

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

Item Code No.	NIL
Product Description	RICE, BRAN,WHEAT PRODUCT, & HUSK

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

For and on behalf of Board of Usher Agro Limited

Ashutosh Dwivedi
Partner
Membership No. 410227

Saurabh Mehta
Company Secretary

V. K. Chaturvedi
Managing Director

Manoj Pathak
Wholetime Director

Place : Mumbai
Date : August 30, 2011

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,

The Board of Director of

USHER AGRO LTD.

1. We have audited the attached Consolidated Balance Sheet of USHER AGRO LIMITED ("the Company"), its subsidiary USHER ECO POWER LIMITED (the Company, its subsidiary constitute "the Group") as at June 30, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial based on our Audit.

2. 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.

3. We did not audit the financial statements of subsidiary, whose financial statements reflect total assets of ₹7,073.80 Lacs as at March 31, 2011, total revenues of 0.50 Lacs and net cash inflows amounting to ₹ (57.77) Lacs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiary is based solely on the reports of the other auditors.

4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.

5. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company, its subsidiary to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   i) in the case of the Consolidate Balance Sheet, of the state of affairs of the Group as at 30th June, 2011 and

   ii) in the case of Consolidate Profit & Loss Account, of the Profit of the Group for the year ended on that date.

   iii) in case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **PAREKH SHAH & LODHA**
Chartered Accountants
Firm Reg. No. 107487W

Ashutosh Dwivedi
(Partner)
M. No. : 410227

Place : Mumbai
Date : August 30, 2011

CONSOLIDATED BALANCE SHEET

as at 30th June, 2011

Amount in ₹

PARTICULARS	SCH.	30-Jun-11
SOURCES OF FUNDS		
SHARE HOLDERS FUND		
Share Capital	1	394,400,080
Reserves & Surplus	2	1,976,842,746
MINORITY INTEREST		56,156,246
LOAN FUNDS		
Secured Loans	3	3,485,757,738
Unsecured Loans	4	200,000,000
Deferred Tax Liability	5	87,213,667
TOTAL		**6,200,370,477**
APPLICATION OF FUNDS		
GOODWILL (arising on consolidation)		3,174,909
FIXED ASSESTS	6	
Gross Block		1,804,046,711
Less :- Depreciation		203,148,198
Net Block		1,600,898,513
Capital Work in Progress		518,627,508
		2,119,526,021
INVESTMENTS	7	10,264,400
CURRENT ASSESTS LOANS & ADVANCES	8	
Inventories		2,266,405,805
Sundry Debtors		1,307,566,261
Cash & Bank Balance		744,538,054
Loans & Advances		189,196,673
		4,507,706,793
LESS:- CURRENT LIABILITIES & PROVISIONS	9	
Liabilities		326,180,152
Provisions		114,121,495
		440,301,647
Net Current Assests		**4,067,405,147**
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	10	-
NOTES ON ACCOUNTS	16	
Schedules referred to here in form an integral part of the Balance Sheet		
TOTAL		**6,200,370,477**

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

For and on behalf of Board of Usher Agro Limited

Ashutosh Dwivedi
Partner
Membership No. 410227

Saurabh Mehta
Company Secretary

V. K. Chaturvedi
Managing Director

Manoj Pathak
Wholetime Director

Place : Mumbai
Date : August 30, 2011

CONSOLIDATED PROFIT & LOSS ACCOUNT

for the year ended 30th June 2011

Amount in ₹

PARTICULARS	SCH.	2010-2011
INCOME		
Gross Sales		
- Domestic Sales		5,012,172,907
- Export Sales		595,284,243
		5,607,457,150
Other Income	11	18,042,834
Increase/(Decrease) in Stocks	12	333,102,178
TOTAL		**5,958,602,162**
EXPENDITURE		
Cost of Material Consumed	13	4,941,071,086
Manufacturing, Administrative & Other Expenses	14	255,293,712
Financial Expenses	15	218,401,763
Depreciation	6	87,082,500
TOTAL		**5,501,849,061**
Profit for the year		456,753,101
Less: i) Provision for Current Tax		69,844,819
ii) Deferred Tax Provision		31,111,254
iii) Provision for Tax for Earlier year		3,374,340
Profit after Tax		**352,245,218**
- Minority Interest		**(543,478)**
Add: Balance b/f from Previous Year		470,846,520
Balance available for appropriation		**823,812,686**
Less: i) Proposed Dividend		57,088,559
iii) Corporate Dividend Tax		9,702,201
iv) Transfer to General Reserves		40,000,000
Surplus carried over to Balance Sheet		**717,021,927**
Earnings Per Share (EPS) (face value of ₹ 10 each) -		
- Basic	Ref. note no. 2(16)	**11.91**
- Diluted	of Schedule - 16	**11.91**
NOTES ON ACCOUNTS	16	
Schedules referred to here in form an integral part of Profit & Loss Account		

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

For and on behalf of Board of Usher Agro Limited

Ashutosh Dwivedi
Partner
Membership No. 410227

Saurabh Mehta
Company Secretary

V. K. Chaturvedi
Managing Director

Manoj Pathak
Wholetime Director

Place : Mumbai
Date : August 30, 2011

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 30th June, 2011

Amount in ₹

	Particulars		2010-2011
A	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Net Profit Before Tax, Extraordinary Activites & Monority Interest		**456,753,101**
	Add.		
	Depreciation		87,082,500
	Loss on sale of Fixed Assets		71,368
	Less: Other Income		(18,042,834)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**525,864,135**
	Inventories		(917,994,432)
	Debtors		(652,271,083)
	Loans, Advances & Deposits		(58,433,885)
	Trade Payables		90,308,596
		Sub Total	(1,538,390,804)
	CASH GENEREATED FROM OPERATIONS		**(1,012,526,669)**
	Other Income		18,042,834
	Taxes Paid		(43,478,008)
		Sub Total	(25,435,174)
	NET CASH FROM OPERATING ACTIVITIES		**(1,037,961,843)**
B	**CASH FLOW FROM INVESTMENT ACTIVITIES**		
	Purchase of Fixed Assets /Investments		(850,023,257)
	Capital Work in progress		(219,074,872)
	Sale of fixed Assets / Investments		243,537
	Investments		4,895,000
	NET CASH USED IN INVESTING ACTIVITES		**(1,063,959,592)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Issue of Shares & Share Application Money		1,051,468,256
	Proceeds from Long Term Borrowings		245,031,153
	Proceeds from Working Capital/Short Term Borrowings		1,047,330,046
	NET CASH USED IN FINANCING ACTIVITIES		**2,343,829,455**
	Net increase / decrease in Cash and Cash equivalents		241,908,020
	Cash and Cash Equivalents Opening		502,630,034
	Cash and Cash Equivalents Closing		**744,538,054**
	Details of Cash and Cash Equivalents		
	Cash in Hand		5,763,352
	Balance with scheduled banks		
	- In Current A/c		493,195,981
	- In Fixed Deposits A/c		225,112,567
	- In EEFC A/c		14,675,486
	- In No Lien A/c.		5,790,668
		Total	**744,538,054**

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

For and on behalf of Board of Usher Agro Limited

Ashutosh Dwivedi
Partner
Membership No. 410227

Saurabh Mehta
Company Secretary

V. K. Chaturvedi
Managing Director

Manoj Pathak
Wholetime Director

Place : Mumbai
Date : August 30, 2011

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 30TH JUNE, 2011

Amount in ₹

Particulars		30-Jun-11
SCHEDULE - 1 Share Capital		
Authorised Capital		
4,00,00,000 Equity Shares of ₹10/- each		400,000,000
Issued Subscribed & Paid up Capital		
3,80,59,039 Equity Shares of ₹10/- each Fully Paid Up		380,590,390
Equity Share Application Money: Pending Allotment		13,809,690
	TOTAL	**394,400,080**
SCHEDULE - 2 Reserve & Surplus		
General Reserves at the beginning of the year		65,200,000
Add: Transfer from P&L during the year		40,000,000
	A	**105,200,000**
Securities Premium		242,032,387
Add: Received during the year		948,148,232
		1,190,180,619
Less: Public Issue Expenses Write Off		3,228,050
Less: QIP Expenses Write Off		32,331,750
	B	**1,154,620,819**
Profit & Loss Account balance	**C**	**717,021,927**
	TOTAL (A+B+C)	**1,976,842,746**
SCHEDULE - 3 Secured Loans		
- Term Loans		
Opening Balance		649,583,657
Add: Disbursed during the year		142,249,410
		791,833,067
Less : Installments repaid during the year (Repayment of principal due in next one year ₹ 20,77,60,321/-)		164,179,998
	A	627,653,069
- External Commercial Borrowing	**B**	703,192,358
- Buyers Credit for Purchase of Capital Goods	**C**	63,391,450
- Equipments & Vehicle Loans (Repayment of principal due in next one year ₹ 45,48,971/-)	**D**	15,930,257
- Working Capital Loans	**E**	2,075,590,604
	TOTAL (A+B+C+D+E)	**3,485,757,738**
SCHEDULE - 4 Unsecured Loans		
From Banks		200,000,000
	TOTAL	**200,000,000**
SCHEDULE - 5 Deffered Tax Liability		
At the beginning of the year		56,102,413
Add : Additions during the year		31,111,254
	TOTAL	**87,213,667**

SCHEDULE - 6 Fixed Assets

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
PARTICULARS	AS ON 1-Jul-10	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	TOTAL AS ON 30.6.2011	AS ON 1-Jul-10	FOR THE YEAR	FOR THE YEAR	AS ON 30-Jun-11	AS ON 30-Jun-11	AS ON 30-Jun-10
A) Intangible Assets										
Patents & Knowhow	-	1,103,000		1,103,000		73,533		73,533	1,029,467	-
B) Tangible Assets										
LAND	84,278,864	103,914,414	-	188,193,278	-	-		-	188,193,278	84,278,864
OFFICE BUILDING	25,572,706	-	-	25,572,706	534,278	416,836		951,114	24,621,592	25,038,428
BUILDING	185,407,365	136,950,028	-	322,357,393	16,977,813	7,389,019		24,366,832	297,990,561	168,429,552
GODWONS	9,678,173	42,702,730	-	52,380,903	240,656	1,430,077		1,670,733	50,710,170	9,437,517
PLANT & MACHINERY	613,598,611	555,555,116	-	1,169,153,727	91,756,555	74,267,207		166,023,762	1,003,129,965	521,842,056
ELECTRICAL INSTALLATION	4,187,417	-	-	4,187,417	1,443,484	432,981		1,876,465	2,310,952	2,743,933
COMPUTER & PRINTER	3,791,236	1,176,644	-	4,967,880	1,220,748	725,710		1,946,458	3,021,422	2,570,489
								-	-	-
TUBE WELL,WATER TANKS & PIPINGS	873,016	-	-	873,016	51,877	14,231		66,108	806,908	821,139
FURNITURE & FIXTURE	4,609,788	1,379,646	47,710	5,941,724	658,475	319,006	4,544	972,937	4,968,787	3,951,313
VEHICLE	9,260,565	6,497,884	946,253	14,812,196	2,906,000	1,096,650	674,514	3,328,136	11,484,060	6,354,565
OFFICE EQUIPMENT	3,853,384	931,152	-	4,784,536	265,040	196,165		461,205	4,323,331	3,588,344
LABORATORY & STORE EQUIPMENTS	9,216,797	502,137	-	9,718,934	444,918	965,997		1,410,915	8,308,019	8,771,879
TOTAL	**954,327,923**	**850,712,751**	**993,963**	**1,804,046,711**	**116,499,844**	**87,327,412**	**679,058**	**203,148,198**	**1,600,898,513**	**837,828,079**
Less : Part of Depreciation transferd to Capital Work in Process in case of Subsidiary Company						244,912				
Net Depreciation for the Year						87,082,500				
PREVIOUS YEAR TOTAL	**877,427,549**	**78,900,374**	**2,000,000**	**954,327,923**	**62,961,966**	**53,615,127**	**77,249**	**116,499,844**	**837,828,079**	**755,988,229**

Amount in ₹

Particulars		30-Jun-11
SCHEDULE - 7 Investments		
Non Trade Investments		
- Long Term Investments (Unquoted - at cost)		-
	A	-
- In Equity Share Application Money Pending for allotment		
- Usher Infra Logic Limited		1,014,300
- Usher Oils & Foods Limited		9,250,100
	B	10,264,400
	TOTAL (A+B)	**10,264,400**
SCHEDULE - 8 Current Assests, Loan & Advances		
Current Assests		
Inventories (Taken, valued & certified by the Management)		2,266,405,805
	A	**2,266,405,805**
Sundry Debtors (Unsecured considered good)		
Exceeding six months		7,871,845
Others less than six months		1,299,694,416
	B	**1,307,566,261**
Cash & Bank Balances		
Cash in Hand		5,763,352
Balance with scheduled banks		
- In Current A/c		493,195,981
- In Fixed Deposits A/c		225,112,567
- In EEFC A/c		14,675,486
- In No Lien A/c.		5,790,668
	C	**744,538,054**
Loans & Advances		
(Unsecured, considered good)		
Advance recoverable in cash or kind or for the value to be received		179,513,775
Deposits		9,682,898
	D	**189,196,673**
	TOTAL (A+B+C+D)	**4,507,706,793**
SCHEDULE - 9 Current Liabilities & Provisions		
Current Liabilites		
Sundry Creditors/Bill Payables		292,245,393
Sundry Creditors for expenses		33,080,581
Interest Accrued but not due		854,178
	A	**326,180,152**
Provision for		
Income Tax		47,330,736
Dividend		57,088,559
Corporate Dividend Tax		9,702,201
	B	**114,121,495**
	TOTAL (A+B)	**440,301,647**
SCHEDULE - 10 Miscellaneous Expenditure		
(To the extent not written off or adjusted)		
Qualified Institutional Placement Expenses		
As per last Balance Sheet		-
Add :- Incurred during the year		32,331,750
		32,331,750
Less :- Written off during the year from Security premium		32,331,750
		-
Deffered Revenue Expenses		
As per last Balance Sheet		3,228,050
Add :- Incurred during the year (Public Issue Exp.)		-
		3,228,050
Less: Written off during the year from securities premium		3,228,050
		-
	TOTAL	**-**

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED 30TH JUNE, 2011

Amount in ₹

Particulars		2010-2011
SCHEDULE - 11 Other Income		
Service Charges / Disc. Received		115,277
Income From Non trade Investment		668,321
Misc Income including Hulling Charges		1,474,918
Interest on Margin Money/FDR/Deposits (Includes TDS of ₹19,83,590/-)		15,577,177
Rent-Received		207,141
	TOTAL	**18,042,834**
SCHEDULE - 12 Increase/(Decrease) in Stocks		
Closing Stock		
Finished Goods		744,009,696
	A	744,009,696
Opening Stock		
Finished Goods		410,907,518
	B	**410,907,518**
Increase/(Decrease) in Stocks	**TOTAL (A-B)**	**333,102,178**
SCHEDULE - 13 Cost of Material Consumed		
Opening Stock		
Raw Materials		934,802,845
Packing Materials		2,701,010
		937,503,855
Purchases		
Materials including Packing Material		5,525,963,340
		6,463,467,195
Less :- Closing Stock Raw Materials		1,514,723,853
Less :- Closing Stock Packing Materials		7,672,256
	TOTAL	**4,941,071,086**
SCHEDULE - 14 Manufacturing,Administrative & Other Expenses		
Wages & Salaries		71,723,582
Staff Welfare Exp.		1,995,651
Power & Fuel		57,254,628
Freight & Cartage		11,367,169
Export Freight		23,205,646
Stores & Spares Consumed		3,233,775
Travelling & Conveyance		4,691,370
Printing & Stationery		2,122,002
Directors Remuneration		3,000,000
Director's Sitting Fee		595,000
Postage ,Courier & Telephone		1,702,739
Insurance		1,362,121
Rent		1,419,360
Warehousing Charges		26,274,192
Repairs & Maintenance - Plant & Machinery		5,492,039
Repairs & Maintenance - Building		1,704,890
Running & Maintenance - Vehicle		3,362,540
Repairs & Maintenance - Others		1,064,136
Subscriptions & Membership		725,624
Legal & Professional Fees		5,813,630
Loss/(Gain) on Foreign Exchange Fluctuation		1,684,590
Office & Misc Expenses		2,520,509
Quality Control Expenses		1,994,879
Internal Audit Fee		475,000
Gratuity		378,221
Rebate & Discount		2,317,923
Loss on Sales of Car		71,368
Filing fees /R.O.C fee		201,842
Handling Charges		2,082,473
Brokerage & Commission		9,449,798
Advertisement & Sales Promotion		5,607,015
Audit fees		400,000
	TOTAL	**255,293,712**
SCHEDULE - 15 Financial Expenses		
Bank charges		20,572,796
Bank Interest		197,536,762
Interest Others		292,205
	TOTAL	**218,401,763**

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 and power generation from biomass. The Company is having manufacturing facilities for rice & wheat milling and rick husk based 16 MW power plant is under implementation.

1. Statement of Significant Accounting Policies

(a) Basis of preparation

The Consolidated 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 Consolidated 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) Change in Accounting Policy

The company was following the policy to write off public issue/QIP/ any other capital raising issue expenses in five equally installments from/against security premium reserve. During the accounting year the company has changed the above accounting policy to write off entire expenses of any issue of capital in the year which they have incurred from/against the security premium account and the change in accounting policy is not having any impact on the profit & loss for the financial year.

Accordingly during the year the company has incurred ₹ 323.32 lacs for QIP issue expenses which have been written off against the security premium account.

(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. The cost of acquisition is further adjusted for exchange difference relating to long term foreign currency borrowing attributable to the acquisition of depreciable assets.

(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 factors. 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 recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

Income from Services

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

Interest

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

(j) Deferred Revenue Expenditure

Any expense which is the nature of Preliminary expenses, has write off in the year which they have incurred from/ against the Profit & Loss Account.

Any expenses related to public issue/QIP/any other capital raising issue has write off entire expenses in the year which they have incurred from/against the 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 years.

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

Primary segment is identified based on the nature of products and services. Secondary segment is identified based on geography in which major operating division of the company operate.

For primary segment, the segment revenue, segment expenses, segment assets and segment liabilities have been identified to segment on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the group as a whole and are not allocable to segment on reasonable basis, have been included under 'Unallocated revenue/expenses/assets/liabilities".

(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 and Contingent Liabilities

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. Liabilities whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent and disclosed by way of Notes on Accounts.

(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 management to make estimates and assumptions 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. Although these estimates are based upon management best knowledge of current events and actions. 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.

(v) Principal of Consolidation

The consolidated financial information incorporates the results of the parent and its subsidiary. The control is normally evidenced when the company is able to govern another company's financial and operating policies so has to benefit from its activities or where the company owns, either directly or indirectly, the majority of another company's equity voting rights unless in exceptional circumstances it can be demonstrated that ownership does not constitute control.

Particulars of subsidiary are given below:-

Name of the Company	Country of incorporation	Date of becoming subsidiary	% of voting power held on 30th June, 2011	% of voting power held on 30th June, 2010
Usher Eco Power Ltd.	India	22nd August, 2010	70.18	44.35

(w) Goodwill

Goodwill arising out of consolidation of financial statements of Subsidiaries and joint Ventures is not amortised. However the same is tested for impairment at each Balance Sheet Date.

2. Notes to the Accounts :

1. Basis of preparation of consolidated Financial Statement

The Consolidated Financial Statements comprise of the financial statement of Usher Agro Limited (UAL) and its subsidiary company Usher Eco power limited (UEPL).

Reference in theses notes to the 'company' shall mean to include UAL and its subsidiary viz. UEPL consolidated in these financial statements unless otherwise stated.

i) The consolidated 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 consolidated financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company.

ii) The financial statement of the company and its subsidiary companies have been considered on a line by line basis by adding together the value like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profit or loss.

iii) The consolidated financial statement have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the UAL and UEPL separate financial statements.

iv) The difference between the cost of investment in the subsidiary over the net assets at the time of acquisition of share in the subsidiaries is recognised in the financial statements as goodwill, which is not being amortized, or Capital reserve as the case may be.

v) Minority interest's share of net profit of consolidated financial statements for the year is identified and adjusted the income of the group in order to arrive at the net income attributable to share holder of the company.

vi) Minority interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the company's shareholders.

There has been no change in the holding Company's interest in the subsidiary between the end of financial year of the subsidiary and the end of the holding company financial year.

Details of material changes which have occurred between the end of the financial year of subsidiary and that of the holding company's financial year are as follows:

1. Increase In Fixed Assets by Usher Eco Power Ltd :

   Additions in Capital Work In Progress at Chhata – ₹ 581.16 LACS

2. Goodwill

Goodwill represents the difference between the Group's share in the net worth of subsidiaries and the cost of acquisition at each point of time of making the investment in the subsidiaries. For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition.

3. Segment Information

Business Segments :

The Company is operating in three different business segments i.e. food processing, Bio-mass power generation and logistic. However, considering their size and volume of operations which are not significant compare to overall volume of the Company, further 16 MW Biomass Based Power Plant is under implementation and yet to start commercial power generation hence there are no operational volume in power generation segment in the company. Considering this no disclosures are given here under the reporting criteria of Business Segments as described in the Accounting Standard (AS) 17 as Segment 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. an 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 :-

Information about Secondary Segments **(₹ in lacs)**

Particulars	For the year ended 30th June, 2011
Revenue By Geographical Market	
India	50,121.73
Outside India	5,952.84
Total	56,074.57
Addition To Fixed Assets And Intangible Assets (Include Capital work in progress)	
India	10,687.94
Outside India	-
Total	10,687.94
Carrying Amount Of Assets	
India	21,195.27
Outside India	-
Total	21,195.27

Notes :-

The geographical segments considered for disclosure are as follows :

- Sales within India includes Sales to Customers located within India
- Sales Out side India includes Sales to customers located outside India including merchant exporters.

  The carrying amount of segment assets in India and Outside India is based on geographical location of the respective assets.

4. Details of Securities given for secured Loan

(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 ₹ 12.60 Crore (P.Y. ₹ 20.30 Crore) is secured against charge over the specific assets created out of the said loan.

(II) External Commercial Borrowing (ECB – Subsidiary Company)

- First Charge on entire Fixed Assets of the Company;
- Exclusively charge on Debt Service Reserve Account (DSRA) proposed to be created with Bank for an amount equal to next two quarters installment at any point of time;
- Personal guarantee of Promoter Directors of the Company.

(III) 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.

(IV) Equipment and Vehicle Loans:

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

5. Details of capital work in progress

Capital Work in Progress as on 30th June, 2011 is ₹ 5186.28 Lacs is related to 16 MW biomass power project and 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 ₹ 598.58 lacs 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 ₹ 333.23 lacs which is related to the capital assets under construction having substantial period of completion is also included in CWIP to be capitalized with the cost of respective assets as per accounting standard 16 (AS-16) on Borrowing Cost issued by ICAI.

6. 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	Nil
Key Management Personnel	Mr. V. K. Chaturvedi (Managing Director)
	Mr. Manoj Pathak (Whole Time Director)
Relatives of key management personnel	Mrs. Samta Chaturvedi, wife of Managing Director Mr. V. K. Chaturvedi
	Mrs. Shimla Pathak, Wife of Whole Time Director Mr. Manoj Pathak
Enterprises owned or significantly influenced by key management personnel or their relatives	Usher Oils & 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 ₹)

Particulars	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
	2010-11	2010-11	2010-11	2010-11
Employee Benefits for Key Management Personnel				
Mr. V. K. Chaturvedi	21,00,000	-		21,00,000
Mr. Manoj Pathak	15,00,000	-		15,00,000
Share Application Money received				
Narayani Nivesh Nigam Pvt. Ltd.	-	-	1,50,93,750	1,50,93,750
Mr. V. K. Chaturvedi	26,09,690			26,09,690
Mr. Manoj Pathak	10,00,000			10,00,000
Usher Capitals Limited	-	-	1,12,50,000	1,12,50,000
Share Application Money Refund				
Mr. V. K. Chaturvedi	-	-		
Loan/Business Advances Taken/repayment				
Usher Oil & food ltd	-	-	63,87,265	63,87,265
Loan/Business Advances Given/repaid				
Vedika Finance P. Ltd	-	-	-	-
Usher Oil & food ltd	-	-	63,87,265	63,87,265
Rent Income (Truck/office)				
M/s Usher Infra Logic Limited	-	-	1,33,571	1,33,571
M/s Usher Oils & Foods Limited	-	-	-	-
Rent Expenses (Trucks/Office)				
M/s Usher Infra Logic Limited	-	-	73,64,137	73,64,137
Narayani Nivesh Nigam Pvt. Ltd.	-	-	2,98,842	2,98,842
Usher Oil & food ltd			65,715	65,715
Mrs. Shimla Pathak	-	-	1,20,000	1,20,000
Reimbursement				
Incurred by related party on over Behalf				
Narayani Nivesh Nigam Pvt. Ltd.	-	-	1,60,055	1,60,055
Incurred for related party				
Usher Oil & food ltd			4,500	4,500
Usher Capital Ltd.			10,095	10,095
Usher Infra Logic Ltd	-	-	40,702	40,702
Investments (including Share Application Money)				
Usher Oils & Foods Limited	-	-	-	-
Usher Infra Logic Limited	-	-	(33,00,000)	(33,00,000)
Balances Outstanding at the year end*				
Mr. V. K. Chaturvedi	8,26,437	-	-	8,26,437
Mr. Manoj Pathak	1,00,000	-	-	1,00,000
Vedika Finance (P) Ltd.	-	-	-	-
M/s Usher Eco Power Limited	-	-	-	-
M/s Usher Infra Logic Limited	-	-	-	-
Narayani Nivesh Nigam Pvt. Ltd.	-	-	-	-
Usher Oils & Foods Limited	-	-	-	-
Totals Balance outstanding.	**9,26,437**	**-**	**-**	**9,26,437**

* excluding investments and share application money received and paid.

7. Leases

In case of assets taken 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
	₹
	2011
Lease payments for the year	**2,78,79,286**
Minimum Lease Payments :	
Not later than one year	**50,24,420**
Later than one year but not later than five years	**17,34,285**
Later than five years	**-**
	3,46,37,992

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, 2011 are ₹ 2,07,141/-. 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	45,000	–	–

8. 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.

9. Capital Commitments

Particulars	2010-11
Estimated amount of contracts remaining to be executed on capital account and not provided for.	**2,434.54**
	2,434.54

10. Provisions and Contingencies

(₹ in lacs)

Contingent Liabilities not provided for	2010-11
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 ₹ 94.87 Lacs (P.Y. ₹ 86.61 Lacs) have been kept with respective bankers for the said letter of credit).	**276.15**
Letter of Credit issued by the Bankers of the Company for import of capital goods*. (Fixed deposits in the form of margin money including interest thereon of ₹ 810.00 Lacs have been kept with respective bankers for the said letter of credit)	**796.75**
* Converted on the foreign exchange conversion rate prevailing on the date of Balance Sheet.	
Bank guarantees issued by the bankers of the Company for EPCG License (Fixed deposits of ₹ 27.68 Lacs (P.Y. ₹ 16.80) have been kept with respective Banks for the said bank guarantees)	**27.68**
Sales Tax Liability in respect of A.Y. 2003-04 and 2004-05 for which the company has gone in to the appeals with the appropriate forums.	**Nil**
Sales Tax Liability in respect of A.Y. 2009-10 for which the company has made application for rectification of order U/s 31 of UP VAT Acts. 2008, and company also gone in to the appeal with the appropriate forums.	**239.54**
Custom duty saved on Import of capital goods under EPCG Licence Scheme (Export obligation under the said EPCG License ₹ 1951.19 lacs)	**251.44**
Total	**1383.75**

11. The Balances of Debtors, Creditors, Loans & Advances and other parties are subject to confirmation and reconciliation, if any.

12. 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.

13. 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.

14. 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	30-06-2011
	₹
Employer's contribution to Provident Fund, ESIC and Group Insurance	**25,87,532**

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

Particulars	30-06-2011
	₹
Opening defined benefit obligation	**16,76,829**
Interest cost	**4,385**
Current service cost	**2,92,214**
Past Service cost (Non Vested Benefits)	**12,13,967**
Past Service cost (Vested Benefits)	**-**
Benefit paid	**-**
Actuarial (gain)/losses on obligation	**(9,80,238)**
Closing defined benefit obligation	**22,07,157**

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

Particulars	30-06-2011
	₹
Opening fair value of plan assets	-
Expected return	8,125
Contributions by employer	2,50,000
Benefits paid	-
Actuarial gains / (losses)	3,494
Closing fair value of plan assets	2,61,619

(iv) Fair value of plan assets:

Particulars	30-06-2011
	₹
Fair value of plan assets at the beginning of period	-
Actual Return of plan assets	11,619
Contributions	2,50,000
Benefits paid	-
Fair value of the plan assets at the end of period	2,61,619
Funded status (including unrecognized past service cost)	(17,42,618)
Excess of actual over estimated return on plan assets	3,494

(v) Experience History

Particulars	30-06-2011
	₹
(Gain)/Loss on obligation due to change in Assumption	(7,24,805)
Experience (Gain)/ Loss on obligation	(2,36,708)
Actuarial Gain/(Loss) on plan assets	3,494

(vi) Actuarial gain/(loss) recognized

Particulars	30-06-2011
	₹
Actuarial gain/(loss) for the period – obligation	9,61,513
Actuarial gain/(loss) for the period – plan assets	3,494
Total gain/(loss) for the period	9,65,004
Actuarial gain/(loss) recognized for the period	9,65,004
Unrecognized actuarial gains / (loss) at the end of the period	-

(vii) Past Service cost recognised

Particulars	30-06-2011
	₹
Past service Cost – (non vested benefits)	-
Past Service Cost – (vested benefits)	
Average remaining future service till vesting of the benefit	-
Recognized Past service Cost – (non vested benefits)	7,624
Recognized Past Service Cost – (vested benefits)	-
Unrecognized Past Service Cost – non vested benefits	-

(viii) The amount recognised in the Balance Sheet

Particulars	30-06-2011
	₹
Present value of obligation at the end of the year	**20,07,157**
Fair value of plan assets at the end of the year	**2,61,619**
Funded status	**(19,45,538)**
Excess of actual or estimated	**-**
Unrecognized actuarial gains / (loss)	**-**
Unrecognized Past Service cost Non Vested Benefit	**-**
Net assets/(liabilities) recognized in the Balance Sheet	**(19,45,538)**

(ix) Expenses recognized in the Profit & Loss account

Particulars	30-06-2011
	₹
Current service cost	**13,76,419**
Interest cost on benefit obligation	**1,34,147**
Expected return on plan assets	**(8,125)**
Net actuarial (gain) / loss recognised in the year	**(9,83,732)**
Past service cost- Non Vested Benefits	**7,624**
Past Service cost -Vested Benefits	**-**
Expenses recognized in the Profit & Loss A/c	**5,26,333**

Balance sheet

(x) Details of Provision for gratuity

Particulars	30-06-2011
	₹
Net liability at the beginning of the year	**16,69,205**
Expenses recognized during the year	**5,26,333**
Contribution paid during the year	**(2,50,000)**
Net liability at the end of the year	**19,45,538**

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

Particulars	30-06-2011
	₹
Mortality table (LIC) duly modified	**1994-96**
Interest/Discount rate	**8.00%**
Expected rate of return on plan assets	**-**
Increase in Compensation cost	**10.00%**
Employee turnover	**6.00%**
Expected average remaining service	**12.37 Yrs.**

15. 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
30-06-2011	Nil	Nil	Nil

Outstanding Interest rate swaps to hedge against fluctuations in interest rate change.

As at	No. of Contract	Amount (In USD)	Amount (In ₹)
30-06-2011	1	53,70,569.28	24,01,71,858

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

Particulars	**Amount**
Buyers Credit for Capital Goods	₹ 6,33,91,450/- (USD 14,17,519)
Creditors for Capital Goods	₹ 9,01,45,120/- (USD 12,41,505.35), (JPY 6,25,00,000)
Foreign Currency Loan	₹ 70,39,18,258/- (USD1,57,40,569.28)
EEFC Account	₹ 1,46,75,446 /- (USD 3,28,163.83)
Foreign Debtors	₹ 4,65,96,335/- (USD 10,41,957.41)
Advance for Import of Capital Goods	₹ Nil

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

16. Earning Per Share (EPS)

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

Particulars		2010-11
I)	Net Profit after tax as per profit and loss account	**3,524.23**
ii)	Net Profit attributable to equity share holders	**3,524.23**
iii)	Net Profit before exceptional item	**3,524.23**
iv)	Weighted Average number of equity shares used as denominator for calculation of Basic EPS	**2,95,78,745**
v)	Weighted Average number of equity shares used as denominator for calculation of Diluted EPS*	**2,95,78,745**
vi)	Basic and Diluted EPS - Basic	**11.91**
	- Diluted	**11.91**
vii)	Face Values per equity share	**10**

17. 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, 2011, 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:-

(₹ in lacs)

Particulars	As at 30-06-11
Deferred Tax Liabilities Difference between carrying Amount of Fixed assets in the books and the Income Tax Return	**870.23**
Deferred Tax Assets Provision for Gratuity Preliminary Expenses Others disallowances under the Income Tax Act, 1961	 **2.64** **(0.73)** **-**
Total	**1.91**
Net Deferred Tax Liability	**872.14**
Net Deferred Tax (Credit)/Charge to Profit & Loss A/c	**311.11**

18. Auditors Remuneration is as under:

(₹ in lacs)

Particulars	2010-11
Audit Fees	**5.27**
Tax Audit Fees	**1.36**
Certification and other matters	**-**
Service Tax	**0.68**
Total	**7.31**

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 profit/ (Loss) of ₹ 29.23 Lacs has been reduced/added from CWIP/pre operative expenses account.

20. Government Grants

During the Accounting year 2010-11, company has not received any government subsidy. However in previous year the company has received government grant of ₹ 20.00 lacs from Utter Pradesh State Electricity Board 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

22.1 Directors' Remuneration

(₹ in lacs)

Particulars	2010-11
Salaries	**36.00**
Total	**36.00**

The above remuneration includes allowances and perquisite provided to directors.

Notes: The above remuneration does not include provision for compensated absences and contribution to gratuity fund since it is based on actuarial valuation for the Company as a whole.

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

(₹ in lacs)

Particulars	2010-11
Profit as per Profit and Loss Account	3,524.23
Add:	
Directors' remuneration	36.00
(Loss)/Profit on sale of fixed assets as per Section 349 of the Companies Act, 1956	-
Provision for doubtful debts and advances	-
Less:	
Profit on sale of fixed assets (net) as per Profit and Loss account	-
Net profit as per Section 349 of the Companies Act, 1956	3,488.23
Maximum permissible commission to Managing and Wholetime Directors at 10% of the net profits as calculated above	348.82
Maximum permissible commission to other directors at 1% of the net profits as calculated above	34.88
Actual commission paid to the Managing and Wholetime Director	Nil
	383.70

22.3 Earnings in foreign currency (Cash/Accrual basis)

(₹ in lacs)

Particulars	2010-11
Export Sales on FOB Basis	3,362.04

22.4 Expenditure in foreign currency (Cash/Accrual basis)
Export Sales on FOB Basis*

(₹ in lacs)

Particulars	2010-11
Interest on Buyers Credit	9.22
Foreign LC Charges	38.47
Professional Fee	22.18
Travelling Expenses	15.32
Interest payable / Paid on ECB	277.52
Commission	0.69
Total	210.45

* Export sales exclude sales to merchant exporter

22.5 Value of imports calculated on CIF basis

(₹ in lacs)

Particulars	2010-11
Capital goods	2,467.64

22.6 Net dividend remitted in foreign exchange

(All are in ₹ except nos.)

Particulars	2010-11
Number of Non-resident shareholders	88
Number of Equity Shares held by them	54,42,405
Amount of dividend paid (Gross), TDS ₹ Nil	-
Year to which dividend relates	-

22.7 Investment in Mutual fund

Particulars	No. of Unit Purchase	No. of Unit Sale
LIC MF	28,50,090.918	28,50,090.918
Escurts MF	13,79,662.396	13,79,662.396

23. Previous Year Comparatives

Previous year's figures have not been given since this is the first consolidated financial statement of the company and M/s Usher Eco Power Limited became subsidiary only from this financial year w.e.f. 22nd August, 2010 hence previous year figures are not required to be given.

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

For and on behalf of Board of Usher Agro Limited

Ashutosh Dwivedi
Partner
Membership No. 410227

Saurabh Mehta
Company Secretary

V. K. Chaturvedi
Managing Director

Manoj Pathak
Wholetime Director

Place : Mumbai
Date : August 30, 2011

STATEMENT PURSUENT TO SECTION 212 OF THE COMPANIES ACT, 1956

Relating to Subsidiary Company ₹ in Lacs except as stated

Sr. No.	Particulars	Usher Eco Power Limited
1	Financial Year of Subsidiary Company ended on	3/31/2011
2	Shares of Subsidiary Company held on abovedate and extent of holding	
	a) Equity Shares	
	b) Extent of Holding	70.18%
3	The net aggregate amount of Subsidiary profit/(loss) so far as it is concerned with the members of the Usher Agro Limited	
	i. Not dealt with in the holding company's accounts	
	a) For the financial year of the Subsidiary	-1792636
	b) Since it became the holding company's subsidiary	-29894
	ii. Dealt with in the holding company's accounts	
	a) For the financial year of the Subsidiary	Nil
	b) Since it became the holding company's subsidiary	Nil
4	Material Changes, if any between the end of the financial of the Subsidiary company and that of the Holding Company	
	i) Increase In Fixed Assets by Usher Eco Power Ltd : Additions in Capital Work In Progress at Chhata – ₹ 581.16 LACS	581.16
5	Additional Information on Subsidiary Company	
	Share Capital including Share Application Money	24,10,05,000
	Reserve and Surplus (net of debit balance of Profit & Loss Account)	(63,55,715)
	Total Assets (Fixed Assets plus Current Assets)	70,75,71,474
	Total Liabilities (Debts plus Current Liabilities & Provisions)	47,29,22,189
	Details of Investment (net of investment in Subsidiary Company)	NIL
	Turnover	NIL
	Profit /(Loss) Before Taxation	(18,22,530)
	Provision For Taxation	NIL
	Profit/(Loss) After Tax	(18,22,530)
	Proposed Dividend (including Corp. Dividend Tax)	NIL

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

For and on behalf of Board of Usher Agro Limited

Ashutosh Dwivedi
Partner
Membership No. 410227

Saurabh Mehta
Company Secretary

V. K. Chaturvedi
Managing Director

Manoj Pathak
Wholetime Director

Place : Mumbai
Date : August 30, 2011

NOTES

USHER®
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Large varieties of excellent

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