USHER®
AGRO LIMITED

16th Annual Report 2011 - 2012

Give the revolutionary green

a chance to colour your world

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.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dr. Vinod Kumar Chaturvedi
Managing Director
Mr. Manoj Pathak
Whole Time Director

Non Executive Independent Director

Mr. Vijay Ranchan
Mr. Ajay Prakash Arora
Mr. Shri Prakash Arora
Mr. Narayanan Krishnan (Nominee of IDBI Bank)
Mr. Prem Chand Tiwari

COMPANY SECRETARY

Ms. Sarika S. Singh

STATUTORY AUDITORS

M/s. Parekh Shah & Lodha
Chartered Accountants

INTERNAL AUDITORS

M/s. Dinesh Bangar & Company
Chartered Accountants

SHARE LISTED AT

National Stock Exchange of India Ltd. (NSE)
BSE Limited (BSE)

REGISTRAR & SHARE TRANSFER AGENTS

Bigshare Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Sakinaka,
Andheri (E), Mumbai - 400 072
Tel.: (022) 2856 0652/53
Fax: (022) 4043 0200
e-mail: info@bigshareonline.com

BANKERS

IDBI Bank Ltd.
Allahabad Bank
United Bank of India
HDFC Bank
ICICI Bank
ING Vysya Bank Ltd.
AXIS Bank Ltd.
RABOBank International (Cooperatieve Centrale Raiffeisen - boerenleen Bank) Singapore
RABOBank International, Mumbai Branch

REGISTERED OFFICE

422, Laxmi Plaza, Laxmi Industrial Estate,
New Link Road Andheri (West)
Mumbai- 400 053
Tel: 022-39381100
Fax: 022-39381123
Email: usherinvestors@usheragro.com
Website: www.usheragro.com

MARKETING OFFICE

405, Pearls Best Heights - II,
Netaji Subhash Place, New Delhi-110034.

PLANT LOCATION

Chhata: 158, Gohari, Delhi- Agra Highway,
Chhata, Dist Mathura(U.P.)

Mathura: 239, Maholi, Krishna Nagar,
Off Delhi- Agra Highway, Mathura,
Dist- Mathura - 281 004(U.P.)

Buxar: Plot no. 1898, Chaubeji ki Chhavani,
Jalilpur Thana, Rajpur, Dist Buxar (Bihar)

Dear Shareholders

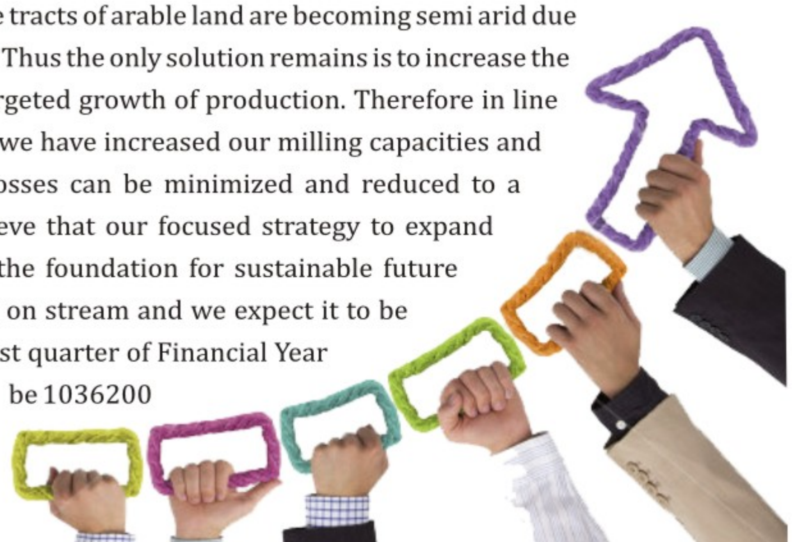
I write to you in the backdrop of a particularly challenging year for the Indian economy in the midst of recession in the Euro zone, muted domestic investment demand and limited fiscal and monetary space to stimulate the economy. Further the hike in crude oil price and the depreciation of the rupee has also impacted the industry and the overall business sentiments. The country's economic growth projections continue to be scaled down and there are expectations that the year 2012-13 would be the second consecutive year of lowest growth, in the past decade, as per the latest CRISIL report on the state of the economy.

Industry Growth :

The Indian food and beverages market has witnessed strong growth over the past few years. Liberalization of the economy and growing income of middle class population have had a positive impact on consumer spending and consumption in both rural and urban proportion of their income on food and other essential commodities. Numerous other factors like demographic and macro-economic conditions have also given boost to expenditure on food and beverages in the Country. The food processing industry in India stands at US$ 135 billion and is projected to be US$ 200 billion by 2016 with a compound annual growth rate (CAGR) of 20 per cent. The food processing industry in India is witnessing quick growth. Overall the branded players in the processed foods category are expected to grow much faster than the total market.

Projection & Growth :

For decades, the world lived in a period of relatively stable food prices. There is a growing concern that this era may well be over. Indian population is rising rapidly but the agricultural growth rate has been relatively stagnant. Arable land has mostly peaked. Growing urbanization and industrialization is gradually eating into precious arable land. Large tracts of arable land are becoming semi arid due to overuse of ground water and global warming. Thus the only solution remains is to increase the per hectare/yield of the land to achieve the targeted growth of production. Therefore in line with the government aim for targeted growth, we have increased our milling capacities and storage capacities, so that the post harvest losses can be minimized and reduced to a considerable extent. Moving forward, we believe that our focused strategy to expand capacities and our existing strengths will be the foundation for sustainable future growth. Our planned expansion project is well on stream and we expect it to be completed within the targeted period of the first quarter of Financial Year 2013-14. The total expanded capacity would be 1036200 MTPA in Rice Milling, which would make us



one of the leading Rice millers in India. The expanded capacity would mitigate itself against the increasing cost pressures arising out of volatile raw material prices, thus strengthening our gross margins. The Company is also exploring certain opportunities to captively utilise the huge capacity which would be available after expansion as a forward integration process and add certain value-added products.

Performance & Achievement :

I am happy to share that the Company has delivered good performance by achieving a production of 353778 MTPA in Rice milling an increase of 38.02 % over previous year. In wheat milling the production remains same as compared to previous year.

During the year, your company earned the profit of Rs. 4233.29 lacs (PAT) as compared to Rs.3542.45 Lacs (PAT) in the year 2010-11. With the establishment of this new facility with the total capacity of over 5, 43,600 MTPA, Usher gets the credit of being one of the leading rice millers in India.

The Government has allowed the export of non-basmati rice and have removed the export cap previously imposed on it. This will impact us positively and increase our exports as can be seen from our export figures which have shown a increase 50% growth as compared to previous year exports. When we are getting the support from the government as well as our well wishing customers, then 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.

On this positive note of optimism, before I end, I would like to thank all members of the staff for their contribution to the Company's growth and all stakeholders, bankers for the faith reposed in us. We assure you of our best and continue to work to deliver value to our customers

Yours Truly

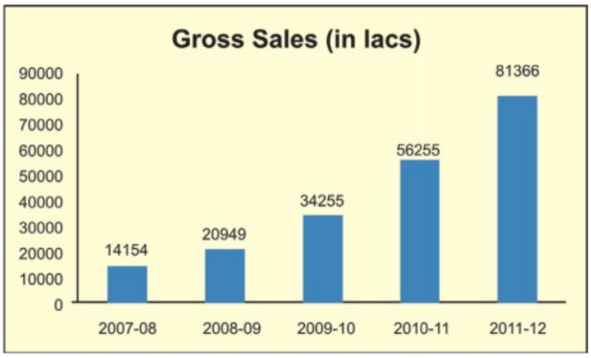
Vinod Kumar Chaturvedi
Managing Director

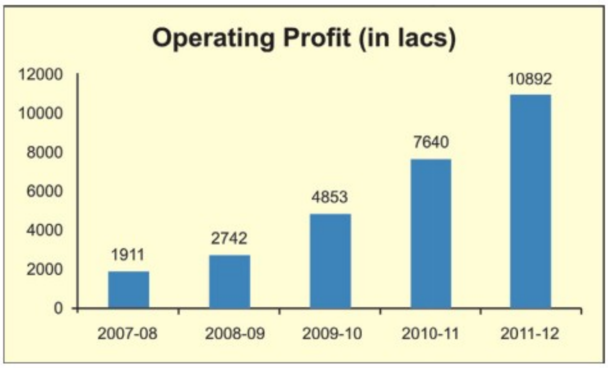
FINANCIAL HIGHLIGHTS

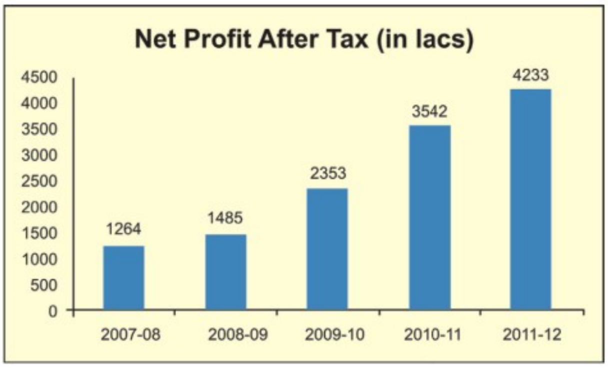
(₹. in Lacs)

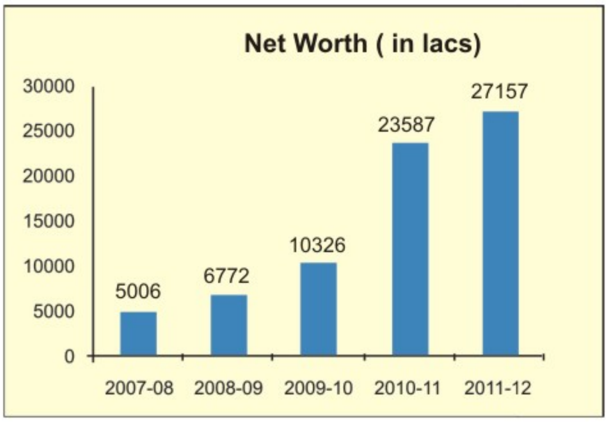
OPERATIONAL REVIEW	2011-12	2010-11	2009-10	2008-09	2007-08
Gross Sales	81366	56255	34255	20949	14154
EBDITA	10892	7640	4853	2742	1911
Depreciation	1465	870	535	233	159
Bank Interest & Charges	3905	2184	1407	537	195
PBT	5523	4586	2912	1972	1557
PAT	4233	3542	2353	1485	1264
FINANCIAL STRUCTURE	2011-12	2010-11	2009-10	2008-09	2007-08
Net Fixed Assets	15229	15373	7794	7560	2453
Capital Work in Progress	4833	2043	2687	625	2727
Investment	1703	1794	1502	427	109
Net Worth	27157	23587	10326	6772	5006
Borrowings	47263	32206	21451	9477	4068
Deferred tax liability	980	872	561	427	168
MARGINS & RATIOS	2011-12	2010-11	2009-10	2008-09	2007-08
EBDITA Margins (%)	13.39%	13.58%	14.19%	13.09%	13.50%
PAT Margins (%)	5.20%	6.30%	6.88%	7.09%	8.93%
Interest Cover (times)	2.08	3.10	2.67	3.76	7.48
Return on Net worth (%)	15.58%	15.02%	22.78%	22.13%	25.80%

Operational Performance









A Glimpses of Achievements

MILESTONES

2012 — Successfully commissioned Artificial Rice Processing Plant

2011 — Successfully commissioned 2,91,600 MTPA Capacity plant at Chhata - UP

2010 — Successfully listed with NSE

2009 — Third unit of Rice Milling commissioned at Chhata, Mathura (U.P.)

2008 — Commencement of Cogeneration Captive Power Plant at Mathura (U.P.)

2006 — Successfully completed IPO with listing at BSE and Wheat Flour Mill set up at Mathura (U.P.)

2003 — Implemented Automated Modernized Rice Milling at its second unit in Buxar (Bihar)

1996 — First project of Rice Milling was set up at Mathura (U.P.)

NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of the members of Usher Agro Limited will be held on Friday, the 21st day of December 2012 at 11.00 a.m. at Nandkripa Banquet Hall, Four Bungalow Road, Main Market, Andheri, (West), Mumbai-400 058 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 30th June, 2012 the Statement of Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on the Equity Shares of the Company.
3. To appoint a Director in place of Mr. Shri Prakash Arora, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Prem Chand Tiwari, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors M/s. Parekh Shah & Lodha (Firm Registration No.107487W) Chartered Accountants, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass the following Resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 ('the Act'), Clause 49 of the Listing Agreement and such other approvals as may be necessary, consent and approval of the Company be and is hereby accorded for payment of commission not exceeding in the aggregate, 1% per annum of the Company's net profit, computed in the manner laid down by Sections 198, 349, 350 and other applicable provisions, if any, of the Act, to the non-executive directors of the Company or to some or any of them, in such proportion, as may be decided by the Board of Directors from time to time, for a period of five years commencing from 1st July, 2011.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps as may be necessary to give effect to this Resolution."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

   RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto, statutory modifications or re-enactment thereof) ("Act") and the applicable provisions of the Foreign Exchange Management Act, 1999 ("FEMA") including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 as amended ("FCCB Scheme"), Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations") and in accordance with all other applicable laws, rules, regulations, guidelines, policies, notifications, circulars and clarifications issued/ to be issued thereon from time to time by the Reserve Bank of India ("RBI"), the Securities and Exchange Board of India ("SEBI"), Secretariat for Industrial Assistance ("SIA"), Foreign Investment Promotion Board ("FIPB"), Ministry of Finance (Department of Economic Affairs) and/ or any other ministry/ department of the Government of India ("GOI") and/ or any other regulatory and statutory authorities (hereinafter singly or collectively referred to as the "Appropriate Authorities") and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the stock exchanges where the shares of the Company are listed and subject to required approvals, consents, permissions and/ or sanctions of the Appropriate Authorities and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall deem to include any duly constituted and empowered committee thereof for the time being exercising the powers conferred on the Board by this resolution), consent of the members of the Company be and is hereby accorded to create, offer, issue and allot such number of Foreign Currency Convertible Bonds ("FCCBs")convertible into equity shares of the Company ("Equity Shares") with/ without warrants, Equity Shares and/ or any other convertible securities other than warrants under Chapter VIII of SEB1 ICDR Regulations dealing with Qualified Institutional Placement ("CUP") and/ or cumulative convertible preference shares and/ or bonds whether partly/ optionally/ fully convertible and/ or securities linked to Equity Shares and/ or any other instruments, partly/ fully convertible into or linked to Equity Shares with or without detachable warrants with a right to subscribe to the Equity Shares and/ or otherwise, in registered or bearer form, secured or unsecured or any combination thereof (hereinafter collectively referred to as "Securities") to raise an aggregate amount not exceeding 250 Crores (Two Hundred and Fifty Crores) or its equivalent in any other currency in one or more tranches whether denominated in any foreign currency or Indian rupees, in the course of international and/ or domestic offering(s) in one or more foreign markets/ domestic market, to any persons including foreign investors (whether financial institutions, corporate bodies, mutual funds, banks, insurance companies, pension funds, trusts, foreign institutional investors, venture capital funds) individuals, non-resident Indians whether such investors are members of the Company or not (collectively referred as the "Investors"), through a public issue and/ or on a private placement basis and/ or any other permitted nature of offering for cash at such price at a discount or premium to the market price of the Equity Shares and in such form and manner and on such terms and conditions including security, rate of interest etc. through a prospectus or an offering memorandum/ circular, as per the terms and conditions that the Board may in its absolute discretion deem fit and appropriate at the time of such issue and where necessary, in consultation with lead managers and/ or other advisors or otherwise, including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors, wherever necessary ("Issue/ Offering").

RESOLVED FURTHER THAT the relevant date for determination of applicable price for the issue of Securities shall be the date of the meeting in which the Board decides to open the Issue.

RESOLVED FURTHER THAT in relation to the Issue, the Board be and is hereby authorized to issue and allot such number of Securities as may be required to be issued and allotted, including redemption or cancellation of the Securities or any subsequent amendment to the terms of the offer as the Board may decide subsequent to the Issue and to exercise all powers relating to the Issue and all such equity shares shall rank pari passu with the then existing Equity Shares in all respects including dividend except as provided otherwise under the terms of Issue/ Offering and in the offer document/ offer letter/ offering circular and/ or listing particulars.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the Securities may have such features and attributes or any terms or combination of terms to provide for the tradability on stock exchanges whether in India/ abroad and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional Equity Shares or variation of the conversion price of the Securities during the duration of the Securities and the Board be and is hereby authorized to dispose off such Securities that are not subscribed in such a manner, as it may deem fit and appropriate in its absolute discretion.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable including, but not limited to, finalization and approval of the preliminary and final offer documents, determining the form, manner and terms of the Issue/ Offering in accordance with applicable regulations and prevalent market practices, class of Investors to whom the Securities are to be allotted, number of Securities to be allotted in each tranche, issue price, face value, premium payable on issue/ conversion of Securities/exercise of warrants/ redemption of Securities, rate of interest, redemption period, number of equity shares to be issued upon conversion/ redemption/ cancellation of the Securities, listings on one or more stock exchanges in India/ or abroad and any other terms and conditions of the issue including any alterations or modifications to the terms of the Securities and any agreement or document (including any alteration or modification, after issue of Securities) and to sign and execute all deeds, documents and writings and to settle any questions, difficulties or doubts that may arise in regard to the issue, offer and allotment of the Securities and utilization of the Issue proceeds, accept any modifications in the proposal as may be required by the Appropriate Authorities as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members of the Company or otherwise to the end and intent that the members shall be deemed to have given their approval thereto for all such acts, deeds, matters and things expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any one or more Directors with power to delegate to any officer(s) of the Company."

For and on Behalf of the Board

Place : Mumbai
Date : 29th August, 2012

Vinod Kumar Chaturvedi
Managing Director

NOTES

a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIM AND SUCH PROXIES NEED NOT BE A MEMBER OF THE COMPANY** Proxies, in order to be effective, must be received at the Company's Registered Office, not less than 48 hours before the commencement of the meeting.

b) The Register of Members of the Company will remain closed from Monday, 17th December, 2012 to 21st December, 2012(both days inclusive) for determining the names of members eligible for dividend on equity shares, if declared.

c) The Dividend, if declared will be payable on 27th December, 2012.

d) The dividend, if declared at the meeting, shall be paid within the stipulated period, to those members of the Company whose names appear on the Register of Members of the Company as on 14th Day of December, 2012. In respect of shares held in Electronic form, the dividend will be paid to the beneficial owners as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owner as on that date.

e) Members are requested to notify immediately any change in their address / Bank mandate to their respective Depository Participants (DPs) in respect of their electronic share accounts and in respect of their physical shares Folios to the Registrar and Share Transfer Agent of the Company M/s. Bigshare Services Private Limited.

f) The members are requested to send queries, if any, on accounts which should reach the Registered Office of the Company at least seven days before the meeting.

g) Kindly quote your Ledger Folio Number / Client ID Number in all your future correspondence.

h) Members are requested to bring their copies of the Annual Reports to the Annual General Meeting of the Company.

i) Section 109A of the Companies Act, 1956 permits Nomination by the members of the Company in the prescribed form No. 2B. Members are requested to avail this facility.

j) The Members/proxies should bring the attendance slip duly filled in and signed for attending the meeting.

k) The Register of Directors' Shareholding, maintained under Section 307 of the Companies Act, 1956, will be available for inspection by the members at the AGM.

l) Members who wish to claim dividends, which remain unclaimed, are requested to correspond with Registrar and Share Transfer Agents, Bigshare Services Private Limited, at their Address. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 205A of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund.

m) Information required to be furnished under clause 49 IV (G) of the Listing Agreement is given in the Corporate Governance Report which forms part of this Annual Report.

For and on Behalf of the Board

Place : Mumbai
Date : 29th August, 2012

Vinod Kumar Chaturvedi
Managing Director

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item 6.

The Company has been greatly benefiting from the invaluable inputs provided by the non-executive directors, who have vast experience, expertise and wisdom in various fields of business. The non-executive directors are members of various Committees constituted by the Board and offer expert advice and guidance. The Board had approved the payment of commission to non-executive directors, not exceeding 1% p.a. of the net profit of the Company, for a period of five years from 1st July, 2011.

Your approval is accordingly sought, authorising the payment of commission to non-executive directors as per the Special Resolution which would also constitute your approval pursuant to the Clause 49 of the Listing Agreement.

The Board recommends passing of the said Resolution.

Item no. 7

The Company is planning substantial expansion. At this present juncture, the Company is pursuing to include expansion of existing business, long term working capital and capital expenditure requirement of the Company and its subsidiaries, investment in subsidiaries, acquisition of companies, businesses, projects and other general corporate purposes.

The consent of the members is being sought by the Special Resolution for approving an enabling authority in favour of the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee constituted or to be constituted by the Board, or any person(s) authorized by the Board or its Committee for such purposes.Pursuant to the above, the Board may, in one or more tranches, issue or allot equity shares / fully convertible debentures / partly convertible debentures / non convertible debentures with warrants / any other securities, which are convertible into or exchangeable with equity shares on such date as may be determined by the Board but not later than such time period as permitted under applicable law.

In terms of Section 81(1A) of the Companies Act, 1956 and the Listing Agreement entered into with the Stock Exchanges, in case of any proposal to increase the subscribed capital of the Company by a further issue and allotment of shares, the shares should be first offered to the existing members in the manner laid down in the said Section / Listing Agreement unless the shareholders decide otherwise in a general meeting. The said Special Resolution, if passed, shall have the effect of allowing the Board on behalf of the Company to create, offer, issue and allot the securities as stated in the resolution, to persons other than the existing members of the Company.

The Board believes that such issue is in the interest of the Company and therefore recommends passing of the Special Resolution contained in the notice.

None of the Directors are concerned or interested in the resolution except as shareholders of the Company.

IMPORTANT COMMUNICATION TO MEMBERS
The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with the Company's Share Transfer Agent, **Bigshare Services Pvt. Ltd. Email: flavia@bigshareonline.com**

For and on Behalf of the Board

Place : Mumbai
Date : 29th August, 2012

Vinod Kumar Chaturvedi
Managing Director

DIRECTORS' REPORT

To The Members

Usher Agro Limited

Your Directors take pleasure in presenting 16th Annual Report together with Audited Statement of Accounts for the year ended 30th June, 2012.

1 FINANCIAL RESULTS

(₹. in Lacs)

Particulars	Year ended 30.06.2012	Year Ended 30.06.2011
Sales & Other Income	**81365.75**	56254.50
Profit before Financial Charges & Depreciation	**10892.23**	7639.87
Less : Financial Charges	**3904.64**	2184.02
Cash Profit for the year	**6987.59**	5455.85
Less : Depreciation	**1464.96**	870.09
Profit before Tax	**5522.63**	4585.76
Less : Provision for Tax including Fringe Benefit Tax	**1135.13**	698.45
Less : Provision for Deferred tax	**107.73**	311.11
Less: Short Provision for tax of earlier years.	**46.48**	33.74
Profit after Tax	**4233.29**	3542.45
Balance brought forward from Previous Year	**7183.01**	4708.47
Balance available for Appropriation	**11416.30**	8250.92
Appropriations :		
Proposed Dividend	**570.89**	570.89
Corporate Dividend Tax	**92.63**	97.02
Transferred to General Reserve	**600.00**	400.00
Debt Redemption Reserve	**500.00**	--
Earning per Share (EPS)	**11.10**	11.19
Balance carried to Balance Sheet	**10152.78**	7183.01

During the year your Company has achieved stabilization of the expanded capacity of rice milling capacity of 2,91,600 MTPA, 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 ₹ 81365.75 lacs from ₹ 56254.50 lacs in the previous year, recording a growth of over 45%. The Company's Profit before tax increased to ₹ 5522.63 lacs from ₹ 4585.76 lacs in the previous year reflecting a healthy growth of approximately 21%. Profit after tax also increased to ₹ 4233.29 lacs against that of ₹ 3542.45 lacs in previous year, registering a growth of 20 %.

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

2 APPROPRIATIONS

Dividend

The Board of directors are pleased to recommend a Dividend of ₹ 1.50/- per equity share (i.e. 15%) for the financial year ended 30th June, 2012. The total payout on account of the dividend including corporate dividend tax will be ₹ 663.52 lacs.

Transfer to Reserves

The Company has transferred 600 Lacs (P.Y. ₹ 400 Lacs) in the General Reserve during the financial year under review in pursuance to the provisions of Companies (Transfer of profits to Reserves) Rules, 1975.

Transfer to Debt Redemption Reserve

The Company has transferred 500 Lacs in the Debt Redemption Reserve during the financial year under review.

3 SUBSIDIARY COMPANY

The Company has Usher Eco Power Limited and Usher Worldwide FZE two subsidiary Company. Usher Eco Power Limited is into Power Generation Activity. The Company has commissioned the 16MW Rice husk based Co-generation Eco friendly power plant at Chhata Dist-Mathura, U.P. which is using Bio Mass i.e. rice husk as a fuel. This Power Plant is eligible for CDM & REC benefits. The Company has commenced power generation from 24th April, 2012 and will be able to commercially sell power from October 2012. The subsidiary Company's financial statement is attached to this annual financial report. Usher Worldwide FZE which is registered in a Free Zone Establishment (FZE) in the Sharjah Airport International Free Zone (SAIF Zone), United Arab Emirates has not yet commenced its business. The Company has incorporated a Company in UAE for the purpose of general trading in rice and other commodities. The Company has given a sum of AED63090 (equivalent to ₹. 9.53 lacs) towards its incorporation expenses. Though the Company has been incorporated on 03.06.2012, however operations have not been started till the balance sheet date as there are further formalities to be complied with.

4 STABILISATION OF NEW RICE MILLING CAPACITY AT CHHATA PLANT

In the previous year on 28th March, 2011 the Company commenced commercial production of new rice milling capacity of Chhata plant with 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 one single location in the country. In the current financial year this expansion project has achieved stabilization and expected to reach an optimum capacity utilization level in the current year.

5. 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 is also enhanced its storage capacity by putting up Hopper Bottom Silos and Flat Bottom Silos besides your Company is contemplating to enhance the more Silos storage capacity. The Silos storage capacity post expansion stands to 32500MT. The significant increase in the Silos facility will help in reducing the labour, packing material cost in addition to savings in wastages.

6 ENTERING PULSES MARKET

Presently the Company has finalised plans to install capacity for pulses and pulse flour milling at Chhata, Dist. Mathura, U.P. We are planning to set up facilities for pulses processing and Besan Mill. Financial closure at this project has already been achieved and land has also been acquired.

7 BUSINESS EXPANSION, DEVELOPMENTS & FUTURE OUTLOOK

A) Rice fortification plant

Usher Agro Ltd has imported a rice fortification plant. The Company is planning to sell the fortified rice to the mid-day meal projects of Government of Andhra Pradesh and Orissa through Programme for Appropriate Technology in Health (PATH). This project will be supplementing the turnover of the Company. The new plant is expected to commence its commercial production in October 2012. Usher Agro Ltd. is also planning to further increase the production capacity of fortified rice in the financial year 2013-2014. The Company also envisions exporting fortified rice to other countries.

B) Venture into Silica

Usher Agro Ltd has commenced the construction activity of silica plant at Chhata Mathura and is expected to complete the project in January 2013. The technology for the manufacturing of silica has been obtained from IISC Bangalore, which is a patented technology and Usher Agro Ltd will have the opportunity to do this novel project first time in the world. On successful commissioning of the plant, the Company will be in a position to supply eco friendly green silica at a competitive rate to its customers.

C) **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 five years, 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.

D) **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 has 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 and better efficient value added utilization of Bye product.

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

Currently we are having 75,000 MTPA wheat milling capacity at Mathura and your Company is expanding 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 stop basic food solution.

8 FOREIGN EXCHANGE EARNINGS

Your Company has entered in to export market very recently in January 2010. Since inception your Company has 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 has entered the export market in January 2010 and within 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. In the current financial year under report your Company has exported rice worth ₹ 9345.38 Lacs in compared to previous year of ₹ 5952.84 lacs. Your Company is targeting mainly Middle East and Gulf countries besides Affrican & Europian Countries for the export of rice and wheat based products.

9 BOARD OF DIRECTORS

In accordance with the provisions of the Companies Act, 1956, Mr. Shri Prakash Arora and Mr. Pemchand Tiwari, Directors retires by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. Your Directors recommend their re-appointment.

10 AUDITORS AND AUDITORS REPORT

M/s Parekh Shah & Lodha, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. The Company has received letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for re-appointment within the meaning of Section 226 of the said Act. The Board of Directors recommends their re-appointment as Statutory Auditors.

The observations and comments given in the Auditors' Report read together with notes to accounts are self-explanatory and do not call for any further information and explanation under Section 217(3) of the Companies Act, 1956.

11 DIRECTORS' RESPONSIBILITY STATEMENT

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

i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures;

ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the Company as at 30th June, 2012 and of the profit of the Company for the year ended on that date.

iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;

iv) the annual accounts have been prepared on a going concern basis.

12 ENVIRONMENTAL PROTECTION & POLLUTION CONTROL

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

13 INSURANCE

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

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

a Conservation of Energy & Technology Absorption

i. **Energy Conservation Measures taken**

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

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

Your Company is having a rice husk 1 MW co-generation captive power plant at Mathura, which helped 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 electrical installed in the manufacturing/processing unit of the Company.

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

We have also installed water treatment plant along with the said continuous Par Boiling Plant to recycle and reuse the water consumed in Par Boiling process. This will save water and also protect from released from processed water.

At our chhata plant we have installed Husk fire furnace to generate hot Air for drying the paddy. This furnace are patented and imported from Thailand. With the help of this furnace drying process will have 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.

15 DEPOSITS

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

16 PARTICULARS OF EMPLOYEES

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

17 HUMAN RESOURCE & INDUSTRIAL RELATIONS

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

18 SEBI REGULATION AND LISTING FEES

Your Company has complied with all the rules and regulations which are stipulated on the corporate sectors time to time.

The Annual Listing Fees for the year under review has been paid to The BSE Limited and The National Stock Exchange of India Limited where your Company's shares are listed.

19 MANAGEMENT DISCUSSION AND ANALYSIS

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

20 CORPORATE GOVERNANCE REPORT

The Company is committed to maintain the highest standards of corporate governance. The directors adhere to the requirements set out by the Securities Exchange Board of India's Corporate Governance Practice and have implemented all the stipulations prescribed.

Pursuant to clause 49 of the Listing Agreement with Stock Exchanges, a separate section titled 'Report on Corporate Governance' has been included in this Annual Report along with the certificate on its compliance.

21 SECRETARIAL AUDIT REPORT

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

22 INTERNAL CONTROL SYSTEMS

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

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

23 CONSOLIDATED FINANCIAL STATEMENTS

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

24 ACKNOWLEDGEMENT

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

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

For and on Behalf of the Board

Place : Mumbai
Date : 29th August, 2012

Vinod Kumar 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, 2012.

1. CONSERVATION OF ENERGY

Particulars	Current Year 2011-12	Previous Year 2010-11
Conservation of Energy		
A Power & Fuel Consumption		
1 Electricity		
a) Units Purchased	**10362909**	7680355
Total Amount (₹)	**58648872**	44210744
Rate/Unit (₹)	**5.66**	5.76
b) Own Generation		
(I) Through Diesel Generator		
Units Produced	**1215899**	926047
Unit per ltr. Of Diesel	**3.52**	3.55
Rate/Unit (₹)	**11.14**	11.49
(II) Through Steam Turbine/ generator		
Units Produced	**6076423**	5512307
Unit per kg. of Husk	**0.79**	0.80
(III) Through DG cum Gesifier		
Units Produced	**947246**	420920
Unit per ltr. Of Diesel	**8.55**	7.23
Unit per Kg. of Husk (Excluding cost of Husk)	**2.17**	2.15
Rate/Unit (₹)	**5.35**	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	**42.52**	46.10
Flour- Atta	**54.48**	54.23
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 ₹ 209.04 Lacs (Prev. Yr. ₹ 210.45 Lacs) and the foreign exchange earnings on exports on FOB Basis was ₹ 4331.17 Lacs (Prev. Yr. ₹ 3362.04 Lacs).

For and on Behalf of the Board

Place : Mumbai
Date : 29th August, 2012

Vinod Kumar Chaturvedi
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economic Overview

Despite a bright economic outlook at the beginning of the year 2011 and growth expectations in excess of 9%, the Indian economy failed to grow to its full potential in fiscal 2011-12. The growth rate fell to 6.9% after recording 8.4% in each of the two preceding years. On the global front, economic performance continued to be extremely fragile, with industrial production recording a sideways growth characterized by a cycle of rebounds only to face further headwinds. The crisis in the Euro zone area and the near recessionary conditions prevailing in Europe, sluggish growth in many industrialized countries contributed to the external factors negatively impacting the Indian economy.

Notwithstanding these global and domestic factors, the prospects for the coming year look bright, with a forecasted growth rate of 7.5% to 8% for fiscal 2012-13. Better fiscal conditions, improvement in savings and capital formation, along with easing of inflationary pressure, are expected to dilute the pressures on the Indian economy in the coming months.

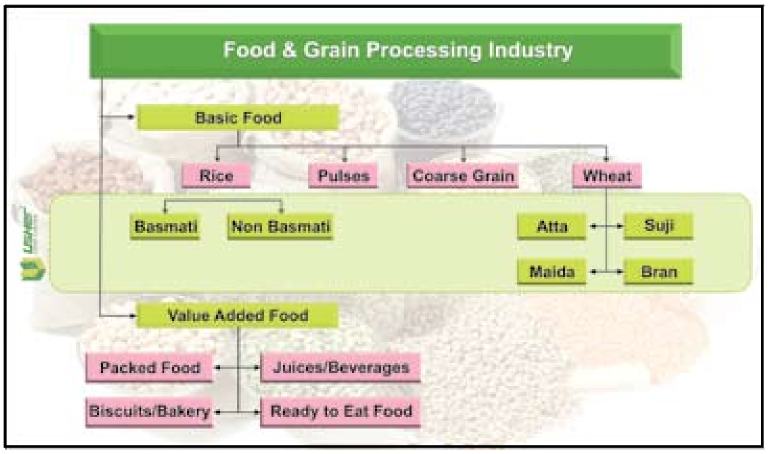
Agriculture Sector Overview in India

Agriculture provides the principal means of livelihood for over 58.4% of India's population. It contributes approximately one-fifth of total gross domestic product (GDP). Agriculture accounts for about 10 per cent of the total export earnings and provides raw material to a large number of industries. Low and volatile growth rates and the recent escalation of agrarian crisis in several parts of the Indian countryside, however, are a threat not only to national food security, but also to the economic well-being of the nation as a whole. Agro processing industry is widely recognized as a 'sunrise industry' in India having huge 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.

Indian Food Processing Sector

The food processing Industry in India is of fundamental importance, as it does the vital link between agriculture and industry. This industry provides nearly 60 percent of all job opportunities by directly employing around 1.6 million workers. It is the fifth largest industry in the country in terms of production, consumption, export and growth. The worth of the Indian processed foods sector stood at USD 157 billion in FY2012; it is expected to touch USD 255 billion by FY2016 with a compound annual growth rate (CAGR) of 20%. The availability of raw materials, changing lifestyles and relaxation in regulatory policies is fuelling the growth of this industry. India is the second largest producer of fruits & vegetables and the third largest producer of food grains. In addition to its large and wide-ranging raw material base, India has a huge consumer base of over one billion people. All these are positive factors that add vigour to the processed foods industry, which holds tremendous opportunities for large investments. The government's 'Vision 2015' has allocated an outlay of USD 20 billion for the sector, while simultaneously relaxing the regulations governing licensing and excise. Other strategic initiatives by the government include the approval of 51 percent ownership of foreign retailers in joint ventures and the establishment of Mega Food Parks and cold chain facilities, including refrigerated vans. These initiatives will also enable the industry to bring in stability in food prices, reasonable returns for farmers and other stakeholders, and create a projected 9 million jobs.

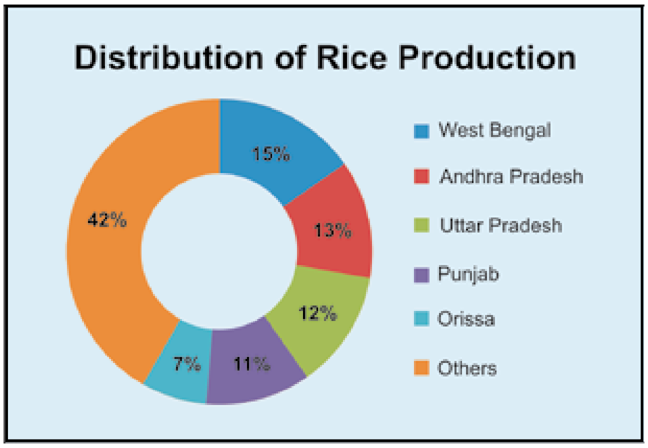
Food Processing: Industry Structure:-



Rice Industry

Rice is the predominant staple food for 17 countries in Asia and the Pacific, nine countries in North and South America and eight countries in Africa. Rice is the staple food of more than 60% of the world population and is expected to remain as a lifeline for the people in Asia and Pacific regions where 90% of it is produced and consumed.

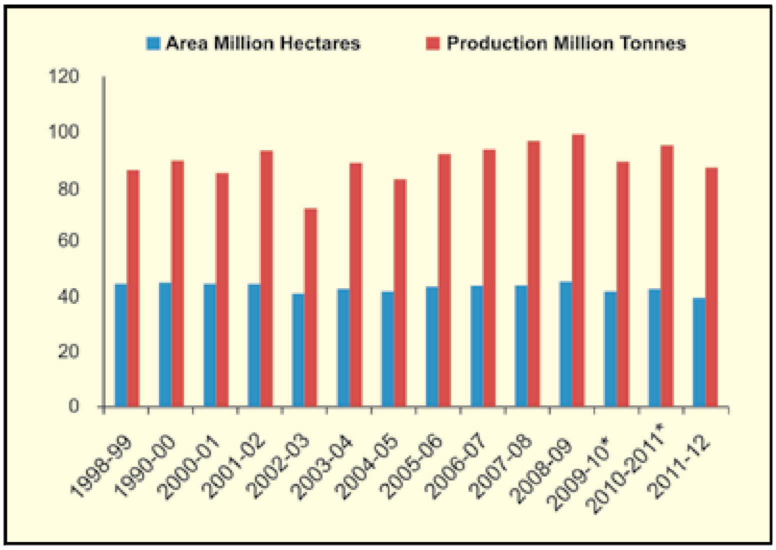
Rice is grown in many regions across India. India has the largest area under rice cultivation in the world and ranks second in the production after China. India has also emerged as a major rice consumer and exporter. Rice cultivation is found in all the states of India but West Bengal, Andhra Pradesh, Uttar Pradesh, Punjab, Orissa and Tamil Nadu are the major rice producing states accounting nearly 2/3rd of the national output.



The main rice-growing season in the country is the 'Kharif'. The sowing time of winter (kharif) rice is June-July and it is harvested in November-December. Over 80% of the country's rice crop is grown in this season and generally, medium to long duration varieties are grown in this season. Summer rice is called as "Rabi" rice. The sowing time of summer rice is November to February and harvesting time is March to June.

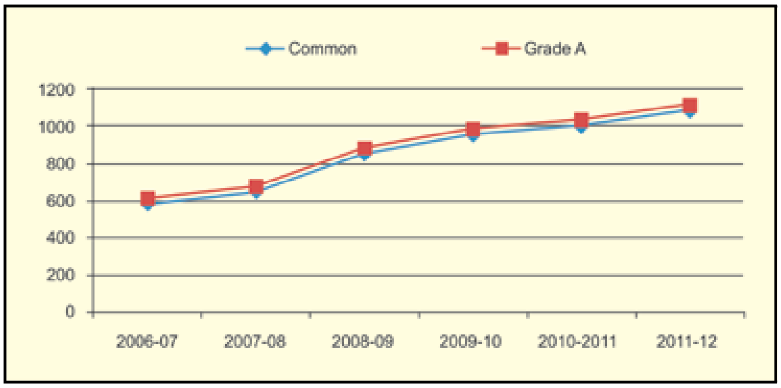
India's total rice output was over 95 million tonnes in 2010-11 and is expected to be about 102 million tonnes in 2011-12. Since the last ten years the area under rice cultivation has been nearly the same at approx 43.50 million hectares, while the production has increased from 82.53 million tonnes in 1997-98 to 95.33 million tonnes in 2010-11 mainly due to increase in yield from 1900 kg/ hectare to 2240 kg/ hectare.

The Chart below shows the increase in Production of the Rice from 1998-99 to 2011-12.



Minimum Support Prices

In India prices of agriculture commodities is controlled by the Government. Government announces Minimum Support Price(MSP) for 24 agriculture commodities including paddy. Government policy aimed at boosting production by way of ensured price realization to the farmers. The Minimum Support Price for Paddy (Common) has increased from ₹ 580 per quintal in 2006-07 to ₹ 1080 per quintal for the 2011-12 and Paddy (Grade A) has increased from ₹ 610 per quintal in 2006-07 to ₹ 1110 per quintal in 2011-12 seasons.



MSP of Common and Grade A Paddy

Rice is an essential commodity, and is included within the purview of the Essential Commodities Act, 1955 and consequently, its production supply and distribution are regulated by the state and central government. The Ministry of Consumer Affairs, Food & Public Distribution imposes levy quota on rice, which specifies that producers/owners of rice mills shall sell the specified quantity of rice to Government specified agencies under levy Scheme at a predetermined price.

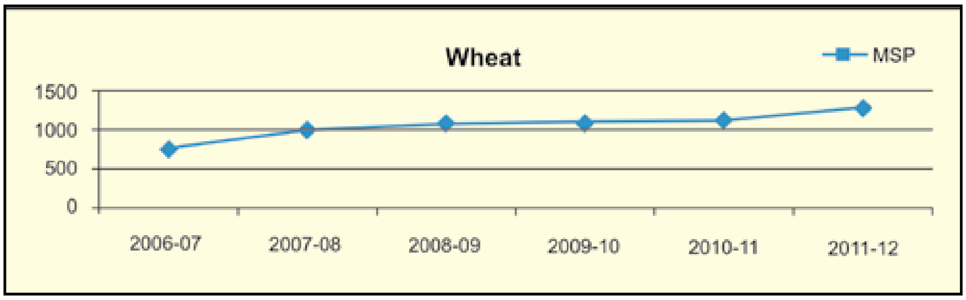
The levy quota varies from state to state viz. at Bihar it is 40% and at Uttar Pradesh it is 75%. Food Corporation of India is undertaking assured procurement of food grains on behalf of Government of India throughout the country. About 20 to 25% of the total rice production in the country is purchased both under levy from the rice mills and directly in the form of paddy from the farmers.

Wheat Industry

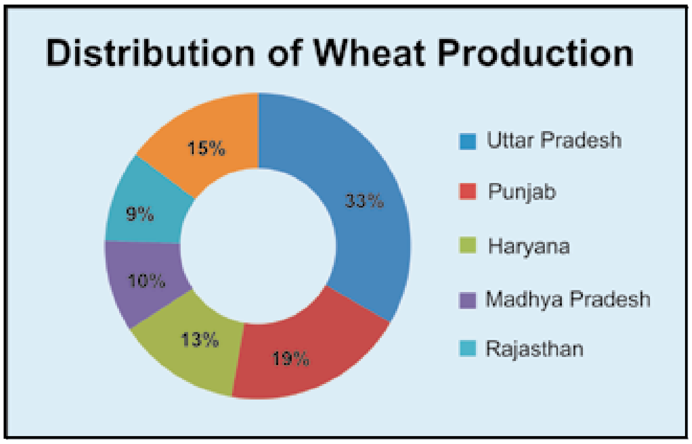
Most Indian wheat is soft or medium hard, best suited for making flatbreads called “chapattis” or “rotis”, the most popular wheat-based product. Consumers usually take their wheat to small flour mills where it is milled into wholemeal flour called “atta” for making rotis. The flour mills mostly produce all purpose flour or “maida” and suji or “semolina.” There are around 1000 flourmills in India, with a milling capacity of more than 24 million tonnes. The balance of the wheat in the country is processed in the stone mills sector in the unorganized sector.

Recently, demand for branded wheat flour milled and marketed by large flour mills, has increased due to its convenience. The demand for specialty wheat flour has also increased due to the growth of fast foods such as pizzas, hamburgers and cakes and increased consumption of pasta products. In the Market there are many branded wheat flour available which shows the increasing demand of branded wheat flour.

Minimum support prices (MSP) or procurement prices are announced by the government every year at the beginning of every wheat season. The distribution is mainly by state governments through thousands of fair price shops spread throughout the country in the urban and rural areas. The Government system handles only a small proportion (10-11%) of wheat production and private merchants handle the large proportion of the total wheat production. Substantial stocks are sometimes accumulated by the Government in the process and rise to almost 20 million tonnes after the harvest and market arrivals, but decline over the rest of the year.



Production of wheat in India has shown a rising trend in the past 5 decades. The demand for wheat has increased by 2% (approximately) over the past 7 years while the supply of wheat has increased by 3% over the same time period. This indicates that the supply of wheat is more than needed for domestic use leading to stock surpluses. Since 1998 India's share in world wheat production is around 12 to 13 percent with the production for 2008-09 at 80.68 million tonnes.



Usher's Overview

Usher Agro is engaged in the processing of agro based products like rice & wheat allied products like Atta, Maida, Suzi etc. Usher regards 'green' as an inspiration of 'agricultural prosperity' & this inspiration has led to the name Usher back in 1996. The main aim was to USHER the Indian agricultural growth concentrated efforts.

Over a period of time the agricultural & food processing industry has come to be considered a priority sector with high potential for growth. USHER Agro has seized each opportunity by using the latest technologies for agricultural processing every single time. The production amplified leading to the name and fame of the company in the national and international market. The diversified product range got a brand name "Rasoi Raaja" that was synonymous with superiority, quality and credibility.

Usher has been operating for last 15 years and its sales have grown from meagre ₹ 70 lacs in the first year i.e. 1996-97 to ₹ 812 crores in FY2011-12. The profit of the company has also increased multi-fold during this period; from Rs 3.01 lacs in 1996-97 to ₹ 43 crores in FY2011-12.

Usher Agro Ltd. has charted its growth plan based on its conviction of the opportunities available in food processing sector and have been consistently building up the processing capacity right from its inception. Usher put its first project of rice milling at Mathura (U.P.) started in 1996 with a installed capacity of 10800 MTPA and which is now stood at over 543600 MTPA. Besides, rice milling Usher is also having Wheat flour milling facility of 75000 MTPA and captive co-generation power plant based on rice husk a by-product of rice milling activity.

Usher is operating in food processing industry, considered to be one of the fast growing industrial segments having huge potential for growth.

Products

The company's products are as follows:

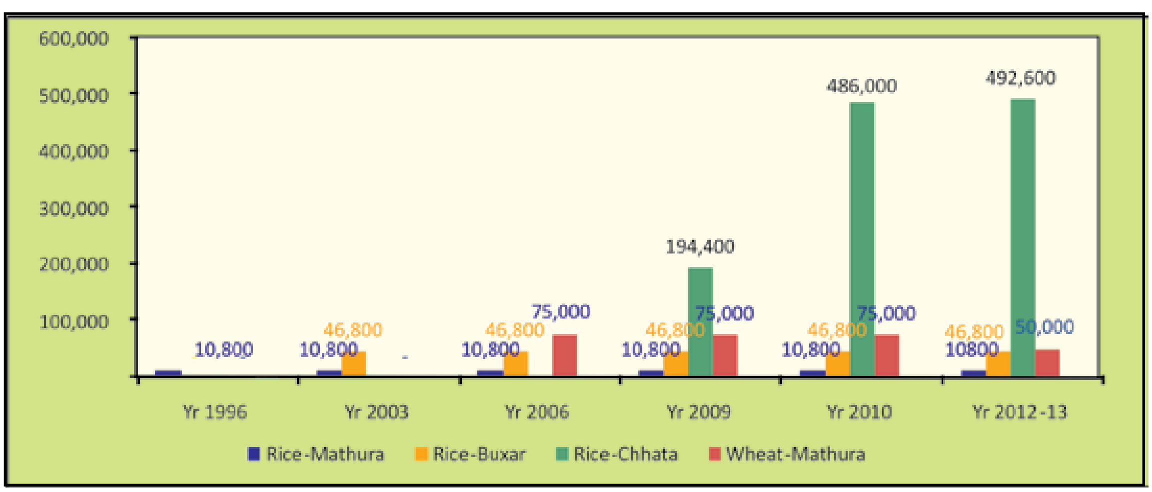
RAW RICE	PARBOILED/ STEAMED RICE	BROWN RICE	WHEAT PRODUCTS
Pusa 1121	Pusa 1121	Pusa 1121	Whole Meal Aata (Chakki Wheat flour)
Parimal/ PR 11/ Common IR-8	Parimal/ PR 11/ Common IR-8	Parimal PR-106	R-Aata
Masourie/ Sonam	Masourie/Sonam	Basmati	Samolina Premium (Rawa/Semolina)
Sugandha	Sugandha	Pusa Basmati	Fine & Superfine Wheat flour (White flour)
Sharbati	Sharbati		Bran (Choker)
Basmati	Basmati		
Pusa Basmati	Pusa Basmati		

Manufacturing Facilities

The company has three factories at Mathura, Chhata and Buxar. The production facilities are as summarized as follows:

PLANT	LOCATION	AREA	EXISTING CAPACITY (IN MTPA)	UNDER IMPLEMENTATION (IN MTPA)	TOTAL
Rice					
Rice milling	Mathura, U.P.*	3.5 acres	10,800	-	10,800
	Buxar, Bihar	2.05 acres	46,800	46,800	93,600
	Chhata, U.P	10 acres	486,000	-	486,000
Subtotal			543,600	46,800	5,90,400
Wheat					
Wheat roller flour mill	Mathura, U.P.*	3.5 acres	75,000	50,000	1,25,000
Subtotal			75,000	50,000	1,25,000
Total			618,600	96,800	7,12,400

*** Usher also has a 1 MW Co-generation plant in the Mathura Factory**



(Year wise increase in manufacturing facilities of Usher in MTPA)

Key Highlights of the Plant

Strategic Location

Usher plants are strategically located in Chhata, Mathura and Buxar. The Mathura and Chhata plants are close to Mathura Delhi Highway and close to Agriculture Produce Mandi. Hence, raw material availability (paddy for rice mill and wheat for flour, white flour and semolina) is very easily available. Also there is 60% levy on rice in U.P and all the government agencies are available at mandi, which is very close to factory reducing transportation expenses. The Buxar factory is also close to railway station. Buxar is a rich paddy cultivating area popularly known as Dhan Katora "Paddy Bowl" and enjoys two seasons of paddy cultivation.

The power plant at Mathura is using Husk (a by-product of Rice Mill). The power generated is for captive use and helps in reducing power cost.

State of the Art Milling Infrastructure

Machinery for rice milling capacity of 2.52 lacs MTPA have been imported from Satake Corporation, Japan which is the leading rice milling machinery supplier in the world, with market share of over 70%. For the enhanced capacity of 2.92 MTPA (completed in FY11), Usher opted for rice milling equipment from Industrias Machina

Zaccaria from Brazil. Zaccaria is Brazil's leading rice milling machinery manufacturer and nearly 50% of paddy production in Latin America is processed by Zaccaria machinery.

Quality Certification

UAL has obtained ISO 9001:2000 Certificate for manufacturing & marketing of rice as well as a Hazard Analysis and Critical Control Point (HACCP) Management system certificate from International Industrial Certification Co. Ltd., Korea for manufacturing & marketing of rice.

Opportunities

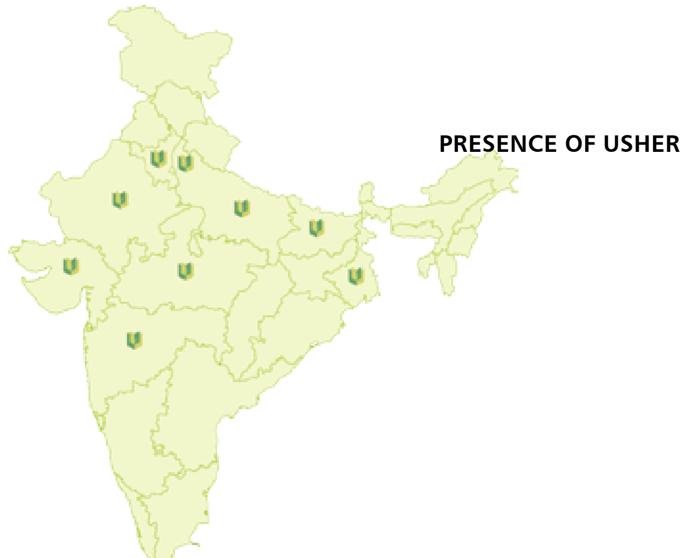
- **World Class Modernized Rice Milling Capacities:** Our Company is amongst the largest producer and processor of non basmati-rice in India. Our total rice milling capacity is 543600 MTPA. By continuously expanding our capacity we are enjoying economies of large scale in procurement, processing and 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 mill 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
- **Export distribution:** Our Company has registered good presence in the exports markets that too within a short span of time. Usher started exports only in F.Y 2009-10 with exports amounting to Rs.20Crores which have now been increased to Rs 93Crores in F.Y2011-12and still rising at a fast pace with good order position.
- **Strong Economy**

  India's economic growth is expected to remain robust in F.Y 2012-13, despite likely headwind in Europe and the U.S. Demand growth in the agricultural industry is linked to the economic and domestic demand for various goods and products
- **Reforms Related to Agriculture**

  WPI inflation related to food items (primary and manufactured) consistently outpaced annual headline inflation between 2005-06 and 2010-11. Policy measures aimed at reducing structural demand-supply imbalances for protein-rich items and imported items (particularly pulses and oilseeds), reducing wastage and improving systems to minimise short-term demand-supply spikes for perishable items would dampen inflationary pressures. Policy direction from GoI to incentivise higher production of items such as milk, pulses and oilseeds would be key. For instance, the National Food Security Mission for pulses could be extended to a larger number of districts, with an appropriate enhancement in budgetary support. Extending state procurement of foodgrains to additional districts, improving storage facilities of Food Corporation of India and reform of the Public Distribution System would all go a long way in reducing wastage. Greater impetus for the creation of infrastructure, including substantial investments in cold storages etc. and development of the retail chain would reduce wastage of farm produce, ease the supply constraints for perishable items and help avoid inflationary spikes such as those seen in December 2010-January 2011.
- **Strong Procurement Network**

  The presence of our rice and wheat milling plants at Mathura, Chhata and Buxar brings us closer to the mandis which enable us to procure raw materials to our plant and lower transportation costs. The mandi situated in Mathura is one of the largest in the area where our plants are situated. We have a strong procurement network present in over 85 mandis. Further we have exclusive agents (pukka arahtiyas) in each mandi. Our mills are located in Uttar Pradesh and Bihar and having proximity to Haryana state. Together, the three states contribute about 19.41% and 53.2% of total rice and wheat production in India respectively. The strategic presence ensures a continuous access to the rice and wheat crop.

  Our presence in Mathura and Chhata brings us closer to the rice deficit states such as Rajasthan, Gujarat and Maharashtra. This gives us a logistic advantage to supply products to the consumers in these states.



RISKS AND MITIGATIONS

Exchange and Interest Rate Fluctuations

The Company's operations are subject to risk arising from fluctuations in exchange rates with reference to currency in which it operates with other countries. These risks primarily stem from the relative movements of the US dollar, and the Indian Rupee.

In India, the Company imports capital equipment, and also exports Rice in various countries. These transactions are denominated primarily in US dollars. Moreover, the Company has outstanding foreign currency denominated debt and is sensitive to fluctuations in foreign currency exchange rates. During the year, the depreciation of the Indian Rupee against the US dollar adversely impacted the borrowing cost to some extent. The Company has experienced and expects to continue to experience foreign exchange losses and gains on obligations denominated in foreign currencies in respect of its borrowings and foreign currency assets and liabilities due to currency fluctuations.

Since the company has both foreign currency inflows and outflows, it has a natural hedge against the foreign currency fluctuation.

Political instability, wars, terrorism, multinational conflicts, natural disasters, fuel shortages / prices, epidemics, labour strikes:

The Company's products are exported to a number of geographical markets and the Company plans to expand international operations further in the future. Consequently, the Company is subject to various risks associated with conducting the business both within and outside the domestic market and the operations may be subject to political instability, wars, terrorism, regional and / or multinational conflicts, natural disasters, epidemics and labour strikes.

Usher's Operational Performance

Usher from the very first year of its operation is concentrating on the Non basmati rice segment 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. The organized Players are not even commanding 1% of overall market and this offers ample scope for players like Usher to grow and expand in non-basmati rice segment.

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 had completed our increase in Silos capacity by 30000 MT, this increase in Silos capacity has helped us in reducing the labour, packing material cost in addition to savings in wastages, which is the most modern and advanced technology for storage of food grains.

As a result of signing an MOU with National Bulk Handling Corporation Limited (NBHC), NBHC has built large silos capacity with joint investment of Usher Agro Limited. This strategic investment and the increase in Silos capacity will help us long way in increasing the storage capacity of our food grains.

Power Sector

Energy is a vital building block of economic growth. In an attempt to meet the demands of a developing nation, the Indian energy sector has witnessed a speedy development. With increasing Global warming and rising environmental concerns the produce of power through renewable sources has become the need of the day. Today, India has good potential for the efficient use of renewable energy with significant potential in for production of power from renewable energy sources like wind , hydro, biomass, and solar energy. 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). Further in F.Y 2011-12 our subsidiary, Usher Eco Power Limited has commissioned 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.

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 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.

Financial Performance

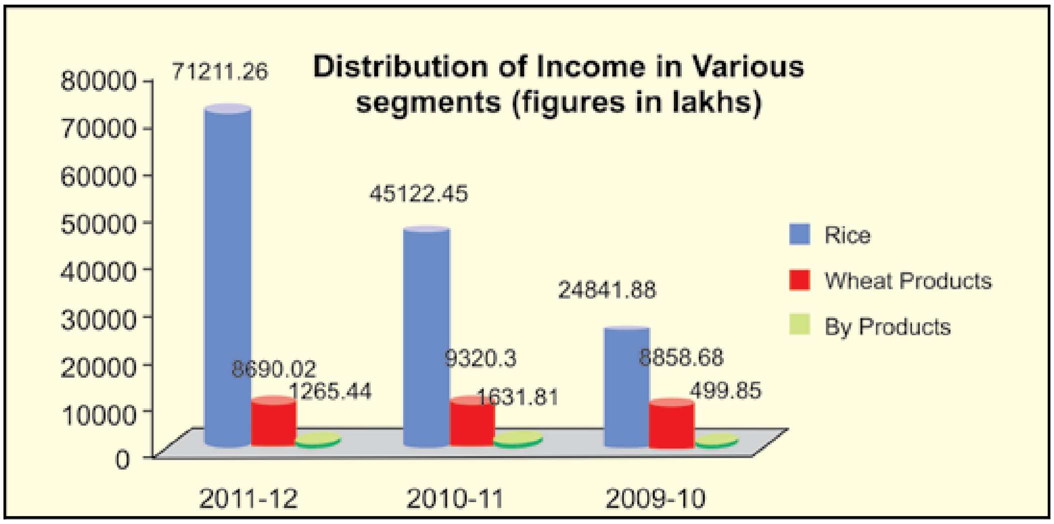
Snapshot of the year

- ✓ **Total income growth by 45% increasing to ₹ 81365.75 lacs as compared to ₹ 56254.50 lacs in the previous year.**
- ✓ **Net profit after tax up by 20% rising to ₹ 4233.28 lacs as compared to ₹ 3542.45 lacs in the previous year.**

The Net Worth of the company has reached to ₹ 27157 lacs as compared to ₹ 23587 lacs in the previous 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.



New Ventures/Way Ahead:-

Pulses: The Way Ahead

Pulses or Dal are an integral part of the average Indian meal. A large proportion of the Indian population is vegetarian and pulses form the main source of protein. The protein content in pulses is about 18-25%. This makes pulses one of the cheapest sources of protein for human consumption. However, the per capita domestic production of pulses has declined from 60 grams per day in 1970-71 to 36 grams per day in 2007-08 despite India being the largest producer of pulses in the world with 25% of total production and 30% of total consumption. Leading states in production of pulses in India are Madhya Pradesh, Uttar Pradesh, Maharashtra and Andhra Pradesh. These four states are contributing two third of total pulse production in India. 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.

The World Health Organisation recommends the consumption of 80 grams per capita of pulses every day for India. Based on expected population growth, India will require around 38 million tonnes of pulses by 2017-18 to avoid protein deficiency. Considering the current domestic production levels (14.60 million tonnes in 2009-10), this is a huge gap which needs to be addressed if the country has to be self-sufficient in pulses. If India has to meet the projected demand, it would have to either double its acreage at current yield levels or double the yield keeping acreage constant. Since either of the above may not be feasible in isolation, the country needs to look at a mix of both.

There are several reasons why pulses have not received the attention they deserve. Pulses in India are considered a residual crop and grown under rain-fed conditions in marginal/ less fertile lands with almost no focus on pest- and nutrient- management. Heavy weed infestation, grazing by wild animals and pests destroy over 30 % of standing crops before harvesting. In addition, there are post-harvest losses during storage due to attack by pulse beetle. For this reason, pulses are considered a risky crop by farmers and yield levels are amongst the lowest in the world.

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 Chhata, 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)
- Yellow Peas (Watana Dal)
- Moong Beans & Urad

Rice Fortification Plant:

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.

Usher Agro Ltd has imported a rice fortification plant which is the first step in entering into the rice fortification industry. The Co. is planning to sell the fortified rice to the mid-day meal projects of Govt. of Andhra Pradesh and Orissa through Programme for Appropriate Technology in Health (PATH). The new plant is expected to commence its commercial production in October 2012 and Usher Agro Ltd. is also planning to further increase the production capacity of fortified rice in the financial year 2012-2013 in view of its very high profitability. A concerted effort is being made by our marketing team to approach various other state Governments to supply fortified rice to various schemes like mid-day meals scheme etc. run by the State Governments. The Co. also envisions exporting fortified rice to other countries.

Silica Plant

Silica Extraction Process

Usher Group not only helps the environment by generating power using eco-friendly techniques but also utilizes the by-product Silica, produced during this process, in industries manufacturing and selling paint, glass, etc. Thus, touching lives worldwide.

Silica is extracted from the Rice Husk Ash (RHA), by using precipitation technology developed by Indian Institute of Science (IISC), Bangalore. The technology is patented and Usher has bought the patent rights for manufacturing Silica using the technology. Since Silica is extracted from the Rice Husk Ash, it is also called as Green Silica. It has more advantages vis-à-vis the other varieties of Silica, manufactured through the traditional method. The process of manufacturing Green Silica, requires temperature up to 1000 or 1500 Centigrade, which is 1/10th of what is required to produce Silica from the traditional way. Thus, it helps in conservation of energy. This same process uses Rice Husk Ash, which is difficult to dispose of, thus, helping to secure the environment.

- Silica will be extracted by chemical process and can be called as **GREEN SILICA** since it utilizes the waste products and also solves the problem of disposal.
- For this process carbon dioxide is required which will be taken from the flue (boiler smoke) of Usher Eco Power Plant thereby reducing the pollution in the environment.
- The process will also yields **calcium carbonate which owes commercial value** in the market.
- The Silica precipitation technology developed at **CGPL, Indian Institute of Science,** Bangalore is a novel method for Silica precipitation where the chemicals used are generated making it a closed loop operation. Silica produced by the process is ready to meet the industrial requirement. Usher Eco Power Ltd will be having the advantage to do this novel project first time in World.

Internal Control Systems and their Adequacy

The Company has implemented adequate internal control systems and procedures, commensurate with the nature of its business and size of its operations. It has implemented adequate internal control system that facilitates adequate and timely completion of the audit and compliance process. Our Internal auditors Dinesh C. Bangar & Co. conducts the audit and submits periodical reports which are reviewed by the Audit Committee.

The Audit Committee of the Board met four times during the year and reviewed the audit reports, audit plans and recommendations of the management and auditors.

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.

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 emphasizes 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 47 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 25 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 39 years, is the Whole Time Director of our 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 16 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 Director

Mr. Ajay Prakash Arora, aged 70 years, is the Independent Non- Executive Director of our 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.

Mr. Shri Prakash Arora, aged 72 years, is Independent Non- Executive Director of our 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 69 years is the Non Executive, Independent Director of our Company and member of Audit committee. He holds a Masters degree in Arts in English Literature from Punjab University. He was in Indian Administrative Service (IAS) (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.

Mr. Krishnan Narayanan, aged 52 years, is the Non-Executive Independent Director (Nominee IDBI Bank of our 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.

Mr. Prem Chand Tiwari, aged 61 years is the Independent Non Executive Director of the Company. He holds Master's degree in science (M. Sc -Physics) from Agra University. He has experience of 39 years in Banking (Administration, Business growth & Profitability). He has Worked as General Manager Head of the largest zone-Mumbai Metropolitan Zone having maximum business mix (Deposits/Advances/profit/recovery).

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, 2012, Board of Directors of the Company consists of 7 Directors, with a combination of Executive and Non-executive Directors. The Board consists of 2 Executive Directors and 5 Non-Executive Directors. All the 5 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 and commission 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.

Attendance and Composition of the Board:

Sr. No.	Directors	No. of Board Meeting attended	Whether last AGM Attended	*No. of Outside Directorship Held	No. of Committee Membership held	No. of shares held in Usher Agro Limited
1.	Dr. Vinod Kumar Chaturvedi Managing Director	5/5	Yes	6	Nil	3856340
2.	Mr. Manoj Pathak Whole Time Director	4/5	Yes	4	Nil	3284060
3.	Mr. Vijay Ranchan Independent Director	5/5	No	5	4	Nil
4.	Mr. Ajay Prakash Arora Independent Director	5/5	Yes	3	4	239
5.	Mr. Shri Prakash Arora Independent Director	5/5	Yes	Nil	Nil	Nil
6.	Mr. Krishnan Narayanan Nominee Director	1/5	Yes	Nil	Nil	Nil
7.	Mr. Prem Chand Tiwari Independent Director	4/5	Yes	Nil	Nil	Nil

*Directorship in the Private Limited/ foreign Companies and Companies under Section 25 of the Companies Act, 1956 are excluded in the above table.

B) **Board Procedure**

Five Board Meetings were held during the financial year 2011-12, and the gap between two meetings did not exceed four months. The Board of Directors met on the following dates:

Date of the Meeting	30.08.2011	15.11.2011	14.02.2012	14.05.2012	16.06.2012
No of Directors Present	6	6	6	6	5

The agenda and notes on agenda are circulated to the Directors, in advance. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

C) **Directors Seeking Appointment / Re-Appointment**

Mr. Shri Prakash Arora and Mr. Prem Chand Tiwari are Directors who shall retire by rotation in the ensuing Annual General Meeting and being eligible for re-appointment. Brief particulars of these directors are as follows:

Particulars	Mr. Shri Prakash Arora	Mr. Prem Chand Tiwari
Father's Name	Mr. Prasad Verma	Yadram Tiwari
Date of Birth	11.03.1940	28-12-1950
Date of Appointment	17.11.2005	15.11.2011
Address	3C-503 Dheeraj Enclave, Opp Bhor Ind, Off W.E. Highway, Borivali (E), Mumbai, 400 066	E 7/6, Chitra Society, Arera Colony, Near Sent, Joseph School, Oriental Bank of Commerce Sai Bord, Bhopal, Madhya Pradesh, 462 016.
Designation	Non-executive Independent Director	Non-executive Independent Director
Qualification & Experience	Aged 72 years, is the Independent Director of our Company. He holds a Bachelors degree in Animal Science from Agra University. S. P. Arora has previously worked with Pfizer Animal Health (Multinational Pharmaceutical Company) for 36 years, where he held several key positions overseeing the sales, technical support, marketing, budgeting, and business development of the Company	Aged 61 years, is the independent Director. He holds Master's degree in Science. He has experience of 39 years in Banking (Administration, Business growth & Profitability). He has Worked as General Manager Head of the largest zone-Mumbai Metropolitan Zone having maximum business mix (Deposits/Advances/profit/ recovery)
Salary etc.	Nil	Nil
Directorship in other Company	Nil	Nil
Membership of Committee of Board of Directors of the Company	a) Shareholders grievance committee b) Preferential Issue Allotment Committee	Nil
Equity Shares held	Nil	Nil

D. **BOARD COMMITTEES**

Presently the Board has Five Committees, Audit Committee, Investor Grievances Committee, Preferential Issue Allotment Committee, Finance Committee and Remuneration Committee.

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 Composition of the Audit Committee is as under

Sr. No.	Name of the Members	Status	Nature of directorship	No. of Meeting attended
1.	Mr. Ajay Prakash Arora	Chairman	Independent	4
2.	Mr. Vijay Ranchan	Member	Independent	4
3.	Mr. Krishnan Narayanan	Member	Independent	1

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's Internal Control and Financial Reporting Process. The terms of reference of the Audit Committee are in accordance with all the items listed in Clause 49 of the Listing Agreement.

Terms of Reference

(a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

(b) Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and fixation of audit fee.

(c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

(d) Reviewing with the management the annual financial statements before submission to the Board for approval, with particular reference to:

- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
- Changes, if any, in accounting policies and practices and reasons for the same
- Major accounting entries involving estimates based on the exercise of judgment by management
- Significant adjustments made in the financial statements arising out of audit findings
- Compliance with listing and other legal requirements relating to financial statements
- Disclosure of any related party transactions
- Qualifications in the draft audit report.

(e) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.).

(f) Reviewing, with the management, Statutory Auditor and Internal Auditor report, and adequacy of the internal control systems and recommending improvements to the Management.

(g) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

(h) Discussion with internal auditors any significant findings and follow up there on.

(i) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

(j) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

(k) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.

(l) To review the functioning of the Whistle Blower mechanism, in case the same is existing.

(m) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate

The audit committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.

2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The meetings of the Audit Committee during the year were held as per Clause 49 of the Listing Agreement. The Audit Committee meetings were also attended by the representatives of the Statutory Auditors, Internal Auditors and the Managing Director of the Company. The Company Secretary acts as the Secretary to the Committee and attends the meeting.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 20th December, 2011.

b. Shareholders' Grievance Committee

The Shareholders' Grievance Committee of the Company comprised of three non-executive directors namely, Mr. Shri Prakash Arora as the Chairman Mr. Ajay Prakash Arora, Mr. Krishnan Narayanan as the members of the Committee. The Board has constituted the Shareholders' Grievance committee as per the guidelines set out in Listing Agreements with the Stock Exchanges that inter alia include redressing investors' complaints regarding transfer of shares, non-receipt of any correspondence from the Company etc. The Committee also oversees the performance of the Registrar & Transfer Agents and recommends measures for the overall improvement of the quality of the investor services.

Company Secretary acts as the Secretary of the Committee.

Meeting held during the year and the Attendance thereat:

During the year one meeting of Shareholder Grievance Committee was held on 14th November, 2011.

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

Sr. No.	Name of Members	Status	No. of Meeting attended
1	Mr. Shri Prakash Arora	Chairman	1
2	Mr. Ajay Prakash Arora	Member	1
3	Mr. Krishnan Narayanan	Member	0

c. Preferential Issue Allotment Committee

The Preferential Issue Allotment Committee of the Company comprised of two non-executive directors and one executive Director. During the year no meeting of the Preferential Issue Allotment Committee was held.

The Preferential Issue allotment Committee consists of following members.

Sr. No.	Name of Members	Status	Nature of Directorship
1	Mr. Vijay Ranchan	Chairman	Independent Director
2	Mr. Ajay Prakash Arora	Member	Independent Director
3	Dr. Vinod Kumar Chaturvedi	Member	Managing Director

d. Finance Committee

The Finance committee of the Company was reconstituted on 30th August, 2010 and comprised of following members. The finance committee comprising of following Directors in order to have convenience in expediting day to day matters relating to finance.

Sr. No.	Name of Member	Status
1.	Mr. Ajay Prakash Arora	Chairman
2.	Dr. Vinod Kumar Chaturvedi	Member
3.	Mr. Manoj Pathak	Member

Following are the terms of reference for the finance committee

(a) borrow and raise such sums of money from time to time as may be required for the purpose of the company's business, subject to the condition that such borrowing shall not exceed Rs.1000 crores and

(b) invest the surplus funds of the Company, subject to the provisions of section 372A of the Companies Act, 1956, in the purchase of shares, debentures, securities and stock certificates, etc. of any private or public limited company or in any securities floated by the Central Government or any State Government, however, to the condition that the funds so invested shall not exceed Rs. 250 crores.

(c) To open/close bank account and to authorize company's executives/ officers to operate bank account and to withdraw such authority from time to time.

(d) give authority to any member/s of the committee to discuss the terms and conditions with the lenders, sign all documents including agreements, certificates, statements, undertakings, declarations, receipts, deeds, instruments and to do all such acts and things as may be necessary on behalf of the Company to give effect to the above resolution."

e. Remuneration Committee

The Remuneration Committee of the Company comprised of three non-executive directors namely, Mr. Shri Prakash Arora as the Chairman Mr. Ajay Prakash Arora and Mr. Vijay Ranchan as the members of the Committee.

During the year no meeting of Remuneration Committee was held.

Sr. No.	Name of the Member	Status	Nature of directorship
1	Mr. Shri Prakash Arora	Chairman	Independent Director
1	Mr. Vijay Ranchan	Member	Independent Director
2	Mr. Ajay Prakash Arora	Member	Independent Director

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

i. 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 2011- 2012 are as under:

The details of remuneration paid/payable to the Directors during the financial year 2011-12 are as under.

Name of the Director	Remuneration including Perquisite Commission	Sitting Fees	Total
Dr. Vinod Kumar Chaturvedi Managing Director)	65,44,100	Nil	65,44,100
Mr. Manoj Pathak (Wholetime Director)	39,60,300	Nil	39,60,300

ii. Remuneration to Non-executive Directors:

As approved by the board of directors in accordance with the Articles of Association of the Company, the non-executive directors are paid sitting fees for every meeting of the Board and/or committee attended by them.

The details of sitting fees paid to Non executive Directors during the year.

Name of Directors	Sitting Fees		
	Board Meeting	Audit Committee	Shareholders Grievance Committee
Mr. Vijay Ranchan	95000	75000	-
Mr. Ajay Prakash Arora	95000	75000	5000
Mr. Shri Prakash Arora	95000	-	5000
Mr. Krishnan Narayanan	15000	15000	-
Mr. Prem Chand Tiwari	80000	-	-

No meeting of Remuneration committee and preferential issue Allotment Committee was held hence no sitting fees was paid for the same.

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
2011	20.12.2011	Nandkripa Banquet Hall, Four Bungalow Road, Main Market, Andheri (West), Mumbai-400 058	11.00 a.m.	• Revision in remuneration of Dr. Vinodkumar Chaturvedi and Mr. Manoj Pathak
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

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 Account 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) The Company was not subject to any non-compliance and no penalties or strictures have been imposed by Stock Exchanges, SEBI or any other Statutory Authority, on any matters relating to Capital Market during the last three years.

4. **SUBSIDIARY COMPANY**

The Company has two subsidiaries Company viz. Usher Eco Power Limited and Usher Worldwide FZE. Usher Eco Power Limited filed Draft Red Herring Prospectus for public issue of equity shares. Usher Worldwide FZE which is registered in a Free Zone Establishment (FZE) in the Sharjah Airport International Free Zone (SAIF Zone), United Arab Emirates has not yet commenced its business.

5. MEANS OF COMMUNICATION

The quarterly, Half Yearly and Yearly results are published in English and Regional Newspapers. The financial results and investor update are displayed on the website of the company **www.usheragro.com** shortly after its submission to the Stock Exchange. Management Discussion and Analysis Report has been included in this Annual Report and forms the part of this Annual Report being sent to the shareholders of the Company.

6. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

Day	Friday
Date	21st December, 2012
Time	11.00 a.m.
Venue	Nandkripa Banquet Hall, Four Bungalow Road, Main Market, Andheri (West), Mumbai-400 058

Book Closure Period:

From: Monday 17th December, 2012 to Friday 21st December, 2012 (both days inclusive).

Dividend Payment Date:

The final dividend, if approved by the shareholders, shall be paid on 27th December 2012

b) Financial Calendar 2012-13

Financial calendar 2012-13	Financial Reporting for Quarter ending
September 30, 2012	- November, 2012
December 31, 2012	- February, 2013
March 31, 2013	- May 2013
June 30, 2013	- August, 2013

c) Listing on Stock Exchange

The Shares of the Company is Listed with BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE).

Stock Codes/symbol

Bombay Stock Exchange Ltd. (BSE) P. J. Towers, Dalal Street, Mumbai 400 001	532765
National Stock Exchange of India Ltd (NSE) Exchange Plaza, Bandra- Kurla Complex, Bandra (East), Mumbai 400 051	USHERAGRO
ISIN for Depositories (NSDL and CDSL)	INE235G01011
CIN NO.	L01100MH1996PLC100380

d) Listing Fees

Listing fees paid to Bombay stock exchange (BSE) and National Stock Exchange of India Limited (NSE) for the financial year 2012-13.

e) Payment of Depository Fees

Annual Custody / Issuer fees for the year 2012-13 has been paid by the Company to National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL).

f) Electronic Connectivity:

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

g) Registration with SEBI SCORE

As per SEBI Circular No. CIR/OIAE/2/2011 dated June 3, 2011 the Company got registered with SEBI for redressing of Complaints of Shareholders by SEBI Complaints redress System (SCORE).

h) Registered Office & Corporate Office

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

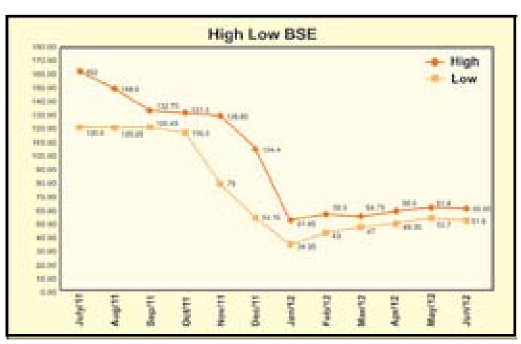
i) Plant Location:

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

j) Market Price Data and Performance.

Monthly High and Low quotations of Shares traded at The National Stock Exchange of India Ltd. (NSE) and The Bombay Stock Exchange Ltd. (BSE) Share price data Monthly basis

Month	BSE		NSE	
	Months High Price	Monthly Low Price	Monthly High Price	Monthly Low Price
July, 2011	162.00	120.60	162.40	116.95
August, 2011	148.90	120.25	148.85	120.25
September, 2011	132.75	120.45	132.70	121.00
October, 2011	131.50	116.50	140.00	116.25
November, 2011	128.85	79.00	130.00	78.35
December, 2011	104.40	54.15	104.75	55.50
January, 2012	51.45	34.35	52.75	35.10
February, 2012	56.50	43.00	56.70	43.00
March, 2012	54.75	47.00	54.95	48.30
April, 2012	58.60	49.35	58.65	49.25
May, 2012	61.40	53.70	70.95	51.65
June, 2012	60.55	51.60	61.00	51.55



k) Investors' Correspondence may be Addressed to:

Usher Agro Limited Ms. Sarika S. Singh Company Secretary 422, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai - 400 053 Tel N:.+91 22 39381100 Fax No :+91 2239381123 usherinvestors@usheragro.com	**Registrar & Transfer Agents:** Bigshare Services Pvt. Ltd. E2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East) Mumbai – 400 072. Tel: + Tel: +91-022-28470632/53 Fax: +91-022-28475207 Email: flavia@bigshareonline.com

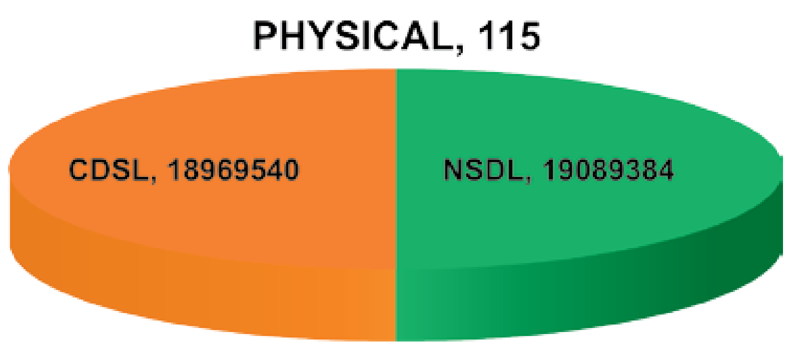
l) Registrar and Share Transfer Agents

The Company has appointed M/s Bigshare Services Pvt. Ltd. as its Registrar and Transfer Agent.

Name	BIGSHARES SERVICES PVT. LTD.
Contact Person	Ms. Flavia D Souza
Address	E2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East) Mumbai – 400 072
Telephone No.	Tel: + Tel: +91-022-28470632/53
Fax No.	Fax: +91-022-28475207
E mail	flavia@bigshareonline.com

m) Dematerialization of Shares and Liquidity

The Company has established connectivity with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through the Registrar- Bigshare Services Pvt. Ltd. This has facilitated the shareholders to hold and trade their shares in 'electronic form'. Almost the entire shareholding (99.98%) is held in dematerialized form with NSDL 19089384 Shares (50.16%), CDSL 18969770 Shares (49.84%) and 115 in physical form as on 30th June, 2012.



n) Share Transfer System

The Company has appointed Bigshare Services Pvt. Ltd. as the Registrar and Transfer Agent of the Company w.e.f 1st February, 2012.

The work related to share transfer in terms of both physical and electronic mode is being dealt at single point with Bigshare services Pvt. Ltd. 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.

Bigshare Services Pvt. Ltd 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 re-materialization of the Company's shares.

The share transfers, which are received in physical form, are processed and the share certificates returned within 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 Bigshare services Pvt. Ltd at the above address for speedy response.

o) Distribution of Holding as on 30th June 2012

Sr. No	Number of Shares	Number	% to Total	Share Amount (₹)	% to Total
1.	1 - 500	5704	82.56	8280690	2.18
2.	501 - 1,000	522	7.56	4171590	1.10
3.	1,001 - 2,000	270	3.91	4161230	1.09
4.	2,001 - 3,000	95	1.38	2437870	0.64
5.	3,001 - 4,000	48	0.69	1686040	0.44
6.	4,001 - 5,000	49	0.71	2278190	0.59
7.	5,001- 10,000	78	1.13	5801230	1.52
8.	10,001 & above	143	2.06	351773550	92.43
	Total	**6909**	**100.00**	**380590390**	**100.00**

p) Shareholding Pattern as on 30th June 2012

Sr. No.	Category of Shareholders	No.of Shareholders	Total No. of Shareholders	% of total Shareholding
1.	Promoters and Promoter Group	6	11079852	29.11
2.	Foreign Institutional Investors	3	2889767	7.59
3.	Bodies Corporate	300	13597346	35.73
4.	Indian Public/ Other	6600	10492074	27.57
	Total	**6909**	**38059039**	**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, 2012.

For and on Behalf of the Board

Place: Mumbai
Date: 29th August, 2012

Vinod Kumar Chaturvedi
Managing Director

CEO CERTIFICATION

Dr. Vinod Kumar 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 statement 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 is, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or volatile of the Company's code of conduct.

(c) I accept responsibility for establishing and maintaining internal controls and that 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.

  b. Significant changes in internal control during the year, if any;

  c. 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

  d. 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.

Place: Mumbai
Date: 29th August, 2012

Vinod Kumar Chaturvedi
Managing Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

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, 2012 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
Chartered Accountants
Firm Reg. No. 107487W

Ashutosh Dwivedi
(Partner)
M. No. : 410227

Place : Mumbai
Date : 29th August, 2012

AUDITORS' REPORT

To,

The Members of

USHER AGRO LTD.

We have audited the attached Balance Sheet of USHER AGRO LTD., as at 30th June, 2012 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, 2012 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 30th June, 2012 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, 2012 and

      ii) in the case of Profit & Loss Account, of the PROFIT for the year 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 : 29th August, 2012

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 loans to companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956 Consequently the requirements of Clause (iii) (b), Clause (iii) (c) and Clause (iii) (d) of Paragraph 4 of the order are not applicable

   b) During the financial year, the Company has not taken any loans from parties listed in the register maintained under section 301 of the Companies Act, 1956 (P.Y. unsecured loan taken from two parties, maximum outstanding Rs. 59.21 lacs, year end balance Nil). Consequently the requirements of Clause (iii) (f) and (iii)(g) of Paragraph 4 of the order are not applicable

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, 2012 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	215.59	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.
Sales Tax Act	Sales Tax	A.Y. 2011-12	16.80	Application made for rectification of order U/s 32 of UP VAT Acts. 2008, and Company also gone in to the appeal with the appropria
Indian Stamp Act	Stamp Duty	A.Y. 2012-13	161.50	Asst. Commissioner Stamps, Mathura

10. There are no accumulated losses of the Company as on 30th June, 2012. The company has not incurred any cash losses during the financial year covered by our audit and in 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 2011-12.
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, except those are mentioned in Note No 35 of the financial statements.
16. According to the information and the explanations given to us and records of the company examined by us, the term loans raised by the company during the year 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 not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. During the year under audit, the company has neither issued any debentures nor was any debentures outstanding at the year end
20. The company has not raised any money by public issue during the year.
21. On the basis of our examination and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the current financial period.

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

Ashutosh Dwivedi
(Partner)
M. No. : 410227

Place : Mumbai
Date : 29th August, 2012

BALANCE SHEET AS AT 30TH JUNE 2012

₹ In Lacs

Particulars	Note	As at 30th June, 2012	As at 30th June, 2011
I EQUITY AND LIABILITIES			
1 Shareholder's Fund			
a Share Capital	3	**3,805.90**	3,805.90
b Reserves and Surplus	4	**23,350.99**	19,781.22
		27,156.89	23,587.12
2 Non-Current Liabilities			
a Long-Term Borrowings	5	**11,368.35**	7,497.23
b Deferred Tax Liabilities (Net)	6	**979.86**	872.14
c Other Long Term Liabilities		**1.50**	1.50
d Long-Term Provisions	7	**11.31**	17.43
		12,361.02	8,388.29
3 Current Liabilities			
a Short-Term Borrowings	8	**33,607.28**	22,755.91
b Trade Payables	9	**3,310.82**	1,953.75
c Other Current Liabilities	10	**3,815.41**	3,160.64
d Short-Term Provisions	11	**1,611.90**	1,144.93
		42,345.41	29,015.22
TOTAL		**81,863.32**	60,990.63
II ASSETS			
1 Non-current Assets			
a Fixed assets			
i. Tangible Assets	12	**15,229.04**	15,372.87
ii. Capital Work-In-Progress	29	**4,394.00**	1,868.92
		19,623.04	17,241.79
b Non-Current Investments	13	**1,702.65**	1,794.02
c Long-Term Loans And Advances	14	**527.91**	270.79
		2,230.56	2,064.80
2 Current Assets			
a Inventories	15	**31,708.77**	22,664.06
b Trade Receivables	16	**20,806.18**	13,075.66
c Cash and Cash Equivalents	17	**5,330.48**	4,960.38
d Short-Term Loans And Advances	18	**1,067.61**	44.39
e Other Current Assets	19	**1,096.68**	939.55
		60,009.72	41,684.04
TOTAL		**81,863.32**	60,990.63
Notes to Balance Sheet and Statement of profit and loss	1-49		

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

Sarika S. Singh
Company Secretary

Vinod Kumar Chaturvedi
Managing Director

Manoj Pathak
Wholetime Director

Date : 29th August, 2012
Place : Mumbai

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 2012

₹ In Lacs

	Particulars	Note	Year Ended 30th June, 2012	Year Ended 30th June, 2011
I	Revenue from Operations	20	**81,169.73**	56,074.57
II	Other Income	21	**196.02**	179.93
III	**Total Revenue (I + II)**		**81,365.75**	56,254.50
IV	**Expenses:**			
	Cost of Materials Consumed	22	**68,712.59**	49,410.71
	Changes in Inventories (Increase)/Decrease of Finished Goods	23	**(1,852.45)**	(3,331.02)
	Employee Benefits Expense	24	**857.17**	740.97
	Finance Costs	25	**3,904.64**	2,184.02
	Depreciation and Amortization Expense	26	**1,464.96**	870.09
	Other Expenses	27	**2,756.21**	1,793.97
	Total expenses		**75,843.12**	51,668.74
V	**Profit before exceptional and extraordinary items and tax (III-IV)**		**5,522.63**	4,585.76
VI	Exceptional items		**-**	-
VII	**Profit before extraordinary items and tax (V - VI)**		**5,522.63**	4,585.76
VIII	Extraordinary Items		**-**	-
IX	**Profit before tax (VII- VIII)**		**5,522.63**	4,585.76
X	**Tax Expense:**			
	(1) Current Tax		**1,135.13**	698.45
	(2) Deferred Tax		**107.73**	311.11
	(3) Short /(Excess) Provision for Income Tax for Earlier Years		**46.48**	33.74
XI	**Profit (Loss) for the period from continuing operations (IX-X)**		**4,233.29**	3,542.45
XII	Profit/(loss) from discontinuing operations		**-**	-
XIII	Tax expense of discontinuing operations		**-**	-
XIV	**Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)**		**-**	-
XV	**Profit (Loss) for the period (XI + XIV)**		**4,233.29**	3,542.45
XVI	**Earnings per equity share:**			
	Basic		**11.12**	**11.98**
	Diluted		**11.12**	**11.98**
	Notes to Balance Sheet and Statement of profit and loss	1-49		

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

Sarika S. Singh
Company Secretary

Vinod Kumar Chaturvedi
Managing Director

Manoj Pathak
Wholetime Director

Date : 29th August, 2012
Place : Mumbai

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30,2012

₹ In Lacs

Particulars	For the year ended 30th June, 2012	For the year ended 30th June, 2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax	5,522.63	4,585.76
Less: Other Income	(196.02)	(179.93)
Add: Loss on sale of assets	2.50	0.71
Add: Interest cost	847.15	808.23
Add: Depreciation\Amortisation	1,464.96	870.09
Operating Profit/(Loss) before working capital changes	7,641.23	6,084.86
Adjustments for movement in working capital:		
Adjustment for (Increase)/ Decrease in operating Liabilities		
Trade Payables	1,357.08	(334.85)
Short-Term Borrowings	10,851.37	10,485.18
Other Current Liability	654.77	3,126.71
Short term provision	0.26	(0.96)
Long term provision	(6.12)	1.28
Adjustment for (Increase)/ Decrease in operating Liabilities		
Inventories	(9,044.71)	(9,179.94)
Trade Receivables	(7,730.52)	(6,522.71)
Short-term Loans & Advances	(1,023.23)	(10.90)
Other Current Assets	(157.13)	(704.42)
Cash from / (Used in) Operating Activities	2,543.01	2,944.25
Other Income	52.28	24.45
Tax Paid	(807.53)	(472.61)
	1,787.76	2,496.09
Net Cash from / (Used in) Operating Activities (A)		
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase)/Sale of Fixed Assets (Including CWIP)	(3,848.73)	(7,839.71)
Long Term Loan/Advances (include non current assets)	(257.13)	34.55
Interest Income	143.74	155.48
Investment	91.37	(291.92)
Cash from / (Used in) Investing Activities (B)	(3,870.75)	(7,941.60)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	3,871.13	(1,683.32)
Interest Cost	(847.15)	(808.23)
Proceeds from Issue of Shares & Share Application Money	-	10,386.58
Others Misc.	-	32.28
Dividend Paid	(570.89)	-
Cash from / (Used in) Financing Activities (C)	2,453.09	7,927.31
Net Increase/ (Decrease) in Cash & Cash Equivalents (A)+(B)+(C)	370.10	2,481.80
Cash & Cash equivalent as at beginning of the year	2,698.91	1,329.13
Other Bank Balance as at beginning of the year	2,261.47	1,149.45
Cash & Cash equivalent as at end of the year	3,497.57	2,698.91
Other Bank Balance as at end of the year	1,832.91	2,261.47
Net Increase/ (Decrease) in Cash & Cash Equivalents	370.10	2,481.80

Additional information:

1) Figures in brackets represent outflows.
2) Previous years figures have been restated wherever necessary.

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

Ashutosh Dwivedi
Partner
Membership No. 410227

Date : 29th August, 2012
Place : Mumbai

For and on behalf of Board of Usher Agro Limited

Sarika S. Singh	**Vinod Kumar Chaturvedi**	**Manoj Pathak**
Company Secretary	Managing Director	Wholetime Director

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED ON 30TH JUNE, 2012

1. Corporate Overview

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.

2. 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) Use of Estimates

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles 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.

(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 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) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(e) 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.

(f) 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.

(g) 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.

(h) 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.

(i) 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.

(j) 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.

(k) 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.

(l) 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.

(m) 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.

(n) 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.

(o) 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.

(p) 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".

(q) 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.

(r) 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.

(s) 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.

(t) 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.

(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.

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED JUNE 30,2012

(₹ In Lacs)

PARTICULARS	As at 30.06.2012	As at 30.06.2011
NOTE - 3		
SHARE CAPITAL		
Authorised Share Capital		
4,00,00,000 (Prev.Year 4,00,00,000) Equity Shares of ₹ 10/- each	**4,000.00**	4,000.00
TOTAL	**4,000.00**	4,000.00
Issued, Subscribed and Paid up share capital		
38059039 (P.Y.38059039) Equity Shares of ₹ 10/- each	**3,805.90**	3,805.90
TOTAL	**3,805.90**	3,805.90

a) A reconciliation of the number of shares outstanding at the beginning and at the end of the counting year, is set out below:

PARTICULARS	2011-2012 No. of shares	2010-2011 No. of shares
Equity Shares		
Equity shares at the beginning of the year	**38,059,039**	22,262,239
Add: shares issued during the year	**-**	15,796,800
Equity shares at the end of the year	**38,059,039**	38,059,039

b) The Company has only one class of equity shares having a par value of ₹ 10. The equity shares have rights, preferences and restrictions which are in accordance with the provisions of law, in particular the Companies Act,1956.

c) There are nil number of shares (Previous year Nil) in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiary or associates of the holding company or the ultimate holding company in aggregate.

d) Shares in the company held by each shareholders holding more than 5% shares, as on 30.06.2012:

	2011-2012		2010-2011	
Name of the Shareholder	**No. of shares**	**Percentage (%)**	No. of shares	Percentage (%)
Dr. Vinod Kumar Chaturvedi	**3,891,340**	**10.23**	3,856,340	10.13
Mr. Manoj Pathak	**3,284,060**	**8.63**	3,284,060	8.63
AIWO Limited	**4,951,893**	**13.01**	4,951,893	13.01
Elara India Opportunities Fund Limited	**2,590,312**	**6.81**	3,283,352	8.63
Parin Trading Private Limited	**2,100,000**	**5.52**	2,100,000	5.52

e) There are nil number of shares (Previous year Nil) reserved for issue under option and contracts /commitment for the sale of shares/disinvetment including the terms and amounts.

f) For the period of five years immediately preceding the date as at which the balance sheet is prepared

PARTICULARS	No of Equity Shares
Aggregate number and class of shares allotted as fully paidup pursuant to contract(s) without payment being received in cash	Nil
Aggregate number and class of shares allotted as fully paidup by way of bonus shares.	Nil
Aggregate number and class of shares bought back	Nil

g) During the year there are no securities issued/converted which are convertible into equity/preference shares. However 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. out of which, 10 Lacs warrants and 50 Lacs warrants have been converted in to equity share in financial year 2009-10 and 2010-11 respectively.

h) There are no calls unpaid (Previous year No)including calls unpaid by Directors and Officers as on balance sheet date

(₹ In Lacs)

PARTICULARS	As at 30.06.2012	As at 30.06.2011
NOTE - 4		
RESERVES AND SURPLUS		
General Reserve		
Opening balance	1,052.00	652.00
(+) Current Year Transfer	600.00	400.00
(-) Written Back in Current Year	-	-
Closing Balance	**1,652.00**	1,052.00
Securities Premium	**11,546.21**	2,420.32
Add:Received during the year	-	9,481.48
	11,546.21	11,901.81
Less: Public Issue Expenses Write Off	-	32.28
Less: QIP Expenses Write Off	-	323.32
	11,546.21	11,546.21
Debt Redemption Reserve		
Opening balance	-	-
Add: during the year	**500**	-
Closing Balance	**500**	-
Profit and Loss Account		
Opening balance	**7,183.01**	4,708.47
(+) Net Profit/(Net Loss) For the current year	**4,233.29**	3,542.45
(-) Debt Redemption reserve	**500.00**	-
(-) Proposed Dividends	**570.89**	570.89
(-) Corporate Dividend Tax	**92.63**	97.02
(-) Transfer to Reserves	**600.00**	400.00
Closing Balance	**9,652.78**	7,183.01
TOTAL	**23,350.99**	19,781.22

PARTICULARS	As at 30.06.2012	As at 30.06.2011

NOTE - 5

LONG-TERM BORROWINGS		
Term Loans(Secured)		
i) From Banks		
In Foreign Currency[1]	**6,804.10**	2,401.72
In Rupees[2]	**4,531.22**	5,013.52
ii) From Financial Institutions		
In Rupees[3]	**33.02**	81.99
TOTAL	**11,368.35**	7,497.23

1 Foreign Currency borrowings are secured by way of first pari passu charge on the entire immovable and movable assets of the company and second pari passu charge on the entire current assets of the company present and future created in favour of respective Banks/Trustees along with the personal guarantees of the Directors of the Company namely Dr. Vinod Kumar Chaturvedi and Mr. Manoj Pathak

	Repayment Schedule		
Loan From Banks	**No. of Installments**	**Frequency**	**Commencing from**
Rabo Bank International Ltd	9	Half yearly	Dec, 2012
ICICI Bank Ltd.	11	Half yearly	Sept, 2014

2 Rupee Term Loan are secured by way of first pari passu charge on the entire immovable and movable assets of the company and second pari passu charge on the entire current assets of the company, both present and future created in favour of respective Banks/Trustees along with the personal guarantees of the Directors of the company namely Dr. Vinod Kumar Chaturvedi and Mr. Manoj Pathak.

	Repayment Schedule		
Loan From Banks	**No. of Installments**	**Frequency**	**Commencing from**
Axis Bank Ltd	20	Quarterly	March, 2012
Axis Bank Ltd	20	Quarterly	Sept, 2014
IDBI Bank Ltd	20	Quarterly	June, 2009
IDBI Bank Ltd	9	Quarterly	Jan, 2011
HDFC Bank Ltd.(Vehicle Loan)[3]	35	Monthly	March, 2011

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

PARTICULARS	As at 30.06.2012	As at 30.06.2011

NOTE - 6

DEFERRED TAX LIABILITIES(NET)		
(In respect of the timing differences)		
Opening Balance	**872.14**	561.02
Add : On account of Depreciation	**106.55**	316.59
Less: On Account of Employee Benefit	**(1.17)**	1.26
Less: Opening Deferred Tax Adjustment	**-**	4.22
Closing Balance	**979.86**	872.14

NOTE - 7

LONG TERM PROVISIONS		
(a) Provision for employee benefits		
Provision for Gratuity	**11.31**	17.43
TOTAL	**11.31**	17.43

(₹ In Lacs)

PARTICULARS	As at 30.06.2012	As at 30.06.2011
NOTE - 8		
SHORT-TERM BORROWINGS		
(Loans Repayable on Demand)		
*Secured Borrowings**		
i) From Banks	**32,783.72**	20,755.91
Unsecured Borrowings		
i) From Banks	**-**	2,000.00
ii) From Others	**823.56**	-
TOTAL	**33,607.28**	22,755.91

* Cash credit /working capital credit facilities are secured by way of first pari passu charge over the entire current assets and second paripassu charge over the entire Immovable and moveable assets of the company, both present and future created in favour of respective banks/trustees alongwith personal guarantees of the Directors of the company namely Dr. Vinod Kumar Chaturvedi and Mr. Manoj Pathak.

PARTICULARS	As at 30.06.2012	As at 30.06.2011
NOTE - 9		
TRADE PAYABLES		
For Goods	**3,143.41**	1,785.51
For Others	**167.41**	168.23
TOTAL	**3,310.82**	1,953.75

The Company has not received any information from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act,2006 and hence disclosures relating to amount unpaid as at year end together with interest paid/payable under this Act have not been given.

PARTICULARS	As at 30.06.2012	As at 30.06.2011
NOTE - 10		
OTHER CURRENT LIABILITIES		
Current Maturities of Long-Term Debts	**2,287.06**	1,952.57
Interest accrued but not due on Borrowings	**58.86**	17.76
Unclaimed Dividends	**10.68**	7.43
Deposits Payables	**2.54**	-
Project Creditors	**1,067.96**	1,082.23
Advance from Customers	**87.45**	-
Other Liabilities including Statutory Liabilities	**198.06**	100.64
Advance received from related party		
Usher Oils & Foods Ltd	**102.80**	-
TOTAL	**3,815.41**	3,160.64
NOTE - 11		
SHORT TERM PROVISIONS		
Provision for employee benefits		
Contribution to PF	**3.65**	3.41
ESIC	**0.32**	0.30
Other Provisions		
Income Tax (Net of Advance tax & TDS)	**944.42**	473.31
Dividend	**570.89**	570.89
Corporate Dividend Tax	**92.63**	97.02
TOTAL	**1,611.90**	1,144.93

NOTE - 12

FIXED ASSETS

(₹ In Lacs)

Description	GROSS BLOCK (AT COST)					DEPRECIATION				NET BLOCK	
	As at 01.07.2011	Additions	Deductions	Revaluations/ (Impairments)	As at 30.06.2012	01.07.2011	For the year	Deduction	As At 30.06.2012	As At 30.06.2012	As at 30.06.2011
TANGIBLE ASSETS											
LAND	1,302.04	154.08	-	-	1,456.12	-	-	-	-	1,456.12	1,302.04
OFFICE BUILDING	255.73	-	-	-	255.73	9.51	4.17	-	13.68	242.05	246.22
BUILDING	3,223.57	17.32	-	-	3,240.89	243.67	107.99	-	351.66	2,889.23	2,979.91
GODWONS	523.81	-	-	-	523.81	16.71	17.50	-	34.20	489.61	507.10
PLANT & MACHINERY	11,691.54	1,131.27	-	-	12,822.81	1,660.24	1,296.51	-	2,956.74	9,866.06	10,031.30
ELECTRICAL INSTALLATION	41.87	-	-	-	41.87	18.76	4.33	-	23.09	18.78	23.11
COMPUTER & PRINTER	45.29	4.22	-	-	49.51	17.79	7.60	-	25.39	24.12	27.50
TUBE WELL, WATER TANKS & PIPINGS	8.73	-	-	-	8.73	0.66	0.14	-	0.80	7.93	8.07
FURNITURE & FIXTURE	58.26	1.99	-	-	60.26	9.55	3.75	-	13.30	46.93	48.71
VEHICLE	104.95	14.64	6.85	-	112.74	31.50	10.59	1.52	40.58	72.16	73.45
OFFICE EQUIPMENT	46.95	2.58	-	-	49.53	4.56	2.29	-	6.86	42.67	42.38
LABORATORY & STORE EQUIPMENTS	97.19	0.38	-	-	97.57	14.11	10.10	-	24.19	73.38	83.08
TOTAL	**17,399.94**	**1,326.47**	**6.85**	**-**	**18,719.56**	**2,027.07**	**1,464.96**	**1.52**	**3,490.50**	**15,229.04**	**15,372.87**
Previous Year	**8,957.90**	**8,451.50**	**9.46**	**-**	**17,399.94**	**1,163.72**	**870.09**	**6.75**	**2,027.07**	**15,372.87**	**7,794.18**

(₹ In Lacs)

PARTICULARS	As at 30.06.2012	As at 30.06.2011
NOTE - 13		
NON-CURRENT INVESTMENTS		
Trade Investments		
In Subsidiary Company "Usher Eco Power Limited."		
(1,69,13,731(P.Y. 1,36,64,500) Equity Shares of ₹ 10 each fully paid)	1,691.37	1,366.45
In Other related Party		
Usher Infra Logic Limited (11,275 (PY Nil) Equity Shares of ₹10 each fully paid up)	11.28	-
Share Application Money (Pending for allotment)	-	427.57
TOTAL	1,702.65	1,794.02
NOTE - 14		
LONG-TERM LOANS AND ADVANCES (Unsecured, Considered Good)		
Security Deposits	88.66	96.83
Capital Advances	439.25	173.96
TOTAL	527.91	270.79
NOTE - 15		
INVENTORIES (As valued and certified by the Management)		
Raw Materials & work in process	22,416.22	15,223.96
Finished goods	9,292.55	7,440.10
TOTAL	31,708.77	22,664.06
NOTE - 16		
TRADE RECEIVABLES (Unsecured, Considered Good)		
Trade receivables (outstanding for a period less than six months)*	20,718.80	12,996.94
Trade receivables (outstanding for a period exceeding six months)	87.39	78.72
* include outstanding of ₹ 119.02 lacs from Usher Eco Power Ltd.(P.Y. - Nil)		
TOTAL	20,806.18	13,075.66
NOTE - 17		
CASH & BANK BALANCE		
Cash & Cash Equivalents		
Cash on hand	40.68	43.98
Balance with Bank		
Balance with Scheduled Banks - In Current Accounts	3,455.36	2,651.48
Balance with Scheduled Banks - In EEFC Accounts	1.53	3.45
Other Bank Balance		
Fixed Deposits (held as margin money/guarantee given)	1,822.23	2,251.04
	-	-
Eamarked Balance - In Dividend Accounts	10.68	10.43
TOTAL	5,330.48	4,960.38

(₹ In Lacs)

PARTICULARS	As at 30.06.2012	As at 30.06.2011
NOTE - 18		
SHORT-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Business advances to related parties		
Usher Eco Power Ltd.	951.87	12.38
Usher Oils & Foods Ltd.	-	5.62
Narayani Nivesh Nigam Pvt Ltd.	40.74	-
Vedika Finance Pvt Ltd.	1.12	-
Usher Capitals Ltd.	2.25	-
Usher World wide FZE,UAE	9.53	
Other loans and advances		
Advance Recoverable in Cash	62.10	26.39
TOTAL	1,067.61	44.39
NOTE - 19		
OTHER CURRENT ASSETS		
Advance to Suppliers	781.19	709.29
Pre Paid Expenses	7.33	6.28
Interest accrued but not received	9.40	0.09
Staff Advance	34.62	10.30
Receivable from Government	264.15	213.59
TOTAL	1,096.68	939.55

PARTICULARS	Year Ended 30.06.2012	Year Ended 30.06.2011
NOTE - 20		
INCOME FROM OPERATIONS		
Sale of Products-Domestic	71,824.35	50,121.73
Sale of Products-Exports	9,345.38	5,952.84
TOTAL	81,169.73	56,074.57
NOTE - 21		
OTHER INCOME		
Interest Income	143.74	155.48
Other Non-operating Income	52.28	24.45
TOTAL	196.02	179.93
NOTE - 22		
COST OF MATERIALS CONSUMED		
Raw Materials consumed	68,712.59	49,410.71
TOTAL	68,712.59	49,410.71

(₹ In Lacs)

PARTICULARS	Year Ended 30.06.2012	Year Ended 30.06.2011
NOTE - 23		
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock of Finished Goods	7,440.10	4,109.08
Less: Closing Stock of Finished Goods	9,292.55	7,440.10
TOTAL	(1,852.45)	(3,331.02)
NOTE - 24		
EMPLOYEE BENEFITS EXPENSE		
Salaries and incentives	817.92	692.30
Contributions to -		
- Provident fund	17.72	21.83
Gratuity fund contributions	(3.61)	3.78
Contrbution to Staff Insurance premium	1.54	-
ESIC	3.23	3.11
Staff welfare expenses	20.38	19.96
TOTAL	857.17	740.97
NOTE - 25		
FINANCE COSTS		
Bank Charges	255.07	205.73
Bank Interest Expense	3,648.05	1,975.37
Other Interest	1.52	2.92
TOTAL	3,904.64	2,184.02
NOTE - 26		
DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation	1,464.96	870.09
TOTAL	1,464.96	870.09
NOTE - 27		
OTHER EXPENSES		
Power & Fuel	772.58	572.55
Freight & Cartage	177.21	113.67
Export Freight including Expenses	720.32	232.06
Stores & Spares Consumed	31.54	32.34
Travelling & Conveyance	51.03	46.91
Printing & Stationery	18.39	21.22
Directors Remuneration and Managerial Commission	119.21	30.00
Provision for CSR Activity	25.75	-
Director's Sitting Fee	5.78	4.70
Postage, Courier & Telephone	16.18	17.03
Insurance	20.71	13.62
Rent	16.24	14.19
Warehousing Charges	330.13	262.74

(₹ In Lacs)

PARTICULARS	Year Ended 30.06.2012	Year Ended 30.06.2011
Repairs & Maintenance - Plant & Machinery	**51.37**	54.92
Repairs & Maintenance - Building	**0.83**	17.05
Running & Maintenance - Vehicle	**31.31**	33.63
Repairs & Maintenance - Others	**5.78**	10.64
Subscriptions & Membership	**3.37**	7.26
Legal & Professional Fees	**32.28**	46.16
Loss/(Gain) on Foreign Exchange Fluctuation	**18.79**	16.83
Office & Misc Expenses	**39.60**	25.21
Quality Control Expenses	**5.44**	19.95
Rebate & Discount	**65.02**	23.18
Loss on Sales of Car	**2.50**	0.71
Filing fees /R.O.C fee	**4.43**	2.02
Handling Charges	**11.33**	20.82
Brokerage & Commission	**148.41**	94.50
Advertisement & Business Promotion	**25.04**	56.07
Audit fees	**5.62**	4.00
TOTAL	**2,756.21**	1,793.97

NOTE -28

EARNING PER SHARE (EPS)

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

	Particulars	2011-12	2010-11
I)	Net Profit after tax as per profit and loss account	**4,233.29**	3,542.45
ii)	Net Profit attributable to equity share holders	**4,233.29**	3,542.45
iii)	Net Profit before exceptional item	**4,233.29**	3,542.45
iv)	Weighted Average number of equity shares used as denominator for calculation of Basic EPS	**38059039**	29578745
v)	Weighted Average number of equity shares used as denominator for calculation of Diluted EPS*	**38059039**	29578745
vi)	Basic and Diluted EPS - Basic	**11.12**	11.98
	- Diluted	**11.12**	11.98
vii)	Face Values per equity share	**10**	10

NOTE - 29

CAPITAL WORK IN PROGESS (₹ In Lacs)

Particulars	2011-12	2010-11
Capital Work in Progess		
Civil work of Construction & Land Development	**1,640.02**	439.37
Plant & Machinery under installation	**1,908.16**	1,293.70
Preoperative Expenses related to assets under construction	**845.82**	135.84
Total	**4,394.00**	1,868.92

NOTE -30

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 :

(₹ In Lacs)

Particulars	30.06.2012	30.06.2011
Employer's contribution to Provident Fund, ESIC and Group Insurance	22.49	23.85

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

Particulars	30.06.2012	30.06.2011
Opening defined benefit obligation	20.04	16.22
Interest cost	1.60	1.30
Current service cost	8.08	12.14
Past Service cost(Non Vested Benefits)	-	-
Past Service cost (Vested Benefits)	-	-
Benefit paid	-	-
Actuarial (gain)/losses on obligation	(1.24)	(9.62)
Closing defined benefit obligation	**28.49**	20.04

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

Particulars	30.06.2012	30.06.2011
Opening fair value of plan assets	2.62	-
Adjusted in opening balance	(0.17)	-
Expected return	0.37	0.01
Contributions by employer	3.23	2.50
Benefits paid	-	-
Actuarial gains / (losses)	0	3,494
Closing fair value of plan assets	**6**	3,497

(iv) Fair Value of Plan Assets: **(₹ In Lacs)**

Particulars	30.06.2012	30.06.2011
Fair value of plan assets at the beginning of period	2.62	-
Adjusted in opening balance	(0.17)	-
Actual Return of plan assets	0.39	0.12
Contributions	3.23	2.50
Benefits paid	-	-
Fair value of the plan assets at the end of period	6.07	2.62
Funded status (including unrecognized past service cost)	(11.31)	(17.43)
Excess of actual over estimated return on plan assets	**0.03**	3.49

(v) Experience History (₹ In Lacs)

Particulars	30.06.2012	30.06.2011
(Gain)/Loss on obligation due to change in Assumption	**(6.90)**	(7.25)
Experience (Gain)/ Loss on obligation	**(5.46)**	(2.37)
Actuarial Gain/(Loss) on plan assets	**0.03**	0.03

(vi) Actuarial Gain/(Loss) Recognized (₹ In Lacs)

Particulars	30.06.2012	30.06.2011
Actuarial gain/(loss) for the period – obligation	**12.35**	9.62
Actuarial gain/(loss) for the period – plan assets	**0.03**	0.03
Total gain/(loss) for the period	**12.38**	9.65
Actuarial gain/(loss) recognized for the period	**12.38**	9.65

(vii) Past Service Cost Recognised (₹ In Lacs)

Particulars	30.06.2012	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)	**-**	0.08
Recognized Past Service Cost – (vested benefits)	**-**	-
Unrecognized Past Service Cost – non vested benefits	**-**	-

(viii) **The Amount Recognised in the Balance Sheet** (₹ In Lacs)

Particulars	30.06.2012	30.06.2011
Present value of obligation at the end of the year	**28.49**	20.04
Fair value of plan assets at the end of the year	**6.07**	2.62
Funded status	**(11.31)**	(17.43)
Excess of actual or estimated	**-**	-
Unrecognized actuarial gains / (loss)	**-**	-
Unrecognized Past Service cost Non Vested Benefit	**-**	-
Net assets/(liabilities) recognized in the Balance Sheet	**(11.31)**	(17.43)

(ix) Expenses Recognized in the Profit & Loss Account (Rs. In Lacs)

Particulars	30.06.2012	30.06.2011
Current service cost	8.08	12.14
Interest cost on benefit obligation	1.60	1.30
Expected return on plan assets	(0.00)	(0.08)
Net actuarial(gain) / loss recognised in the year	(0.00)	(9.65)
Past service cost- Non Vested Benefits	-	0.08
Past Service cost -Vested Benefits	-	-
Expenses recognized in the Profit & Loss A/c	9.68	3.78

(x) **Details of Provision for Gratuity** (₹ In Lacs)

Particulars	30.06.2012	30.06.2011
Net liability at the beginning of the year	**17.43**	16.14
Adjusted in opening balance	**0.17**	-
Expenses recognized during the year	**9.68**	3.78
Contribution paid during the year	**(3.23)**	(2.50)
Net liability at the end of the year	**24.05**	17.43

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

Particulars	30.06.2012	30.06.2011
Mortality table (LIC) duly modified	**1994-96**	1994-96
Interest/Discount rate	**8.00%**	8.00%
Expected rate of return on plan assets	**9.00%**	9.00%
Increase in Compensation cost	**7.00%**	10.00%
Employee turnover	**2.12%**	6.00%
Expected average remaining service	**19.98 Yrs.**	12.37Yrs

NOTE - 31

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)

Particulars	For the year ended 30th June, 2012	For the year ended 30th June, 2011
Revenue By Geographical Market		
India	**71,824.35**	50,121.73
Outside India	**9,345.38**	5,952.84
Total	**81,169.73**	56,074.57
Addition To Fixed Assets And Intangible Assets (Include Capital work in progress)		
India	**3,851.56**	7,807.16
Outside India	**-**	-
Total	**3,851.56**	7,807.16
Carrying Amount Of Assets		
India	**19,623.04**	17,241.79
Outside India		-
Total	**19,623.04**	17,241.79

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.

NOTE - 32

Auditors Remuneration is as under: **₹ In Lacs**

Particulars	2011-2012	2010-2011
Audit Fees	**3.50**	2.27
Tax Audit Fees	**1.50**	1.36
Service Tax	**0.62**	0.37
Total	**5.62**	4.00

NOTE - 33

Expenditure/Revenue in Foreign Currency

Earnings in foreign currency (Cash/Accrual basis) ₹ 4,331.17 lacs
Export Sales on FOB Basis* (P.Y. ₹ 3,362.04 lacs)

₹ In lacs

Expenditure in foreign currency (Cash/Accrual basis)	2011-2012	2010-2011
Interest on Buyers Credit	11.48	9.22
Foreign LC Charges	1.59	38.47
Professional Fee	14.28	7.93
Travelling Expenses	3.82	15.32
Interest payable / Paid on ECB	157.87	138.82
Commission	20.00	0.69
	209.04	210.45
* Export sales exclude sales to merchant exporter		
Value of imports calculated on CIF basis		
Capital goods		Nil (P.Y. ₹ 2,467.64 Lacs)

NOTE - 34

Net Dividend Remitted in Foreign Currency **(All are in ₹ In Lacs except nos.)**

	2011-12	2010-11
Number of Non-resident shareholders	**88**	88
Number of Equity Shares held by them	**5132334**	5442405
Amount of dividend paid (Gross), TDS Rs. Nil (P.Y.Nil)	**76.99**	-
Year to which dividend relates	**2010-11**	2009-10

NOTE - 35

Provisions and Contingencies ₹ In Lacs

Contingent Liabilities not provided for	2011-2012	2010-2011
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 ₹ 1130.24 Lacs (P.Y. ₹ 94.87 Lacs) have been kept with respective bankers for the said letter of credit)	**2,664.54**	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 Rs. Nil (P.Y. ₹ 810.00 Lacs) have been kept with respective bankers for the said letter of credit)	**Nil**	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 ₹ 22.25 Lacs (P.Y. ₹ 27.68) have been kept with respective Banks for the said bank guarantees)"	**25.25**	27.68
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.	**215.59**	239.54
Sales Tax Liability in respect of a matter u/s 25(i)(ii) of UP VAT Act 2008, A.Y. 2011-12 for which the company has made application for rectification of order U/s 32 of UP VAT Acts. 2008, and company also gone in to the appeal with the appropriate forums.	**16.80**	-
Stamp Duty Liability persuant to letter by Stamp Authority, Mathura, dt 13.02.2012	**179.0**	-
Stamp Duty Liability persuant to letter by Stamp Authority, Mathura, dt 22.02.2012	**111.5**	-
Stamp Duty Liability persuant to letter by Stamp Authority, Mathura, dt 09.12.2011	**161.5**	-
(The management has taken expert legal opinion on the said stamp duty matter and based on that opinion, the total liability in the subject matter may not exceed to ₹ 12.00 lacs and the matter has already been taken up with the appropriate authorities.		
Custom duty saved on Import of capital goods under EPCG Licence Scheme	**-**	251.44
(Export obligation under the said EPCG License Nil (P.Y. ₹ 1951.19 lacs)		
Note: The Company has given Corporate Guarantee for Foreign Currency Loan (ECB) of USD 132.50 Lacs (equaivalent to Rs.7460.94Llacs) taken by its Subsidiary Company i.e. Usher Eco Power Ltd. This guarantee has been given for the intervening period till the commencement of commercial power generation by the said subsidiary company.		

NOTE - 36

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 NIL. (P.Y.Nil)

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

As at	No. of Contract	Amount (In USD)	Amount (In Lacs of ₹)
6/30/2012	1	53,70,569.28	3,024.11
6/30/2011	1	53,70,569.28	2,401.72

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

Particulars	Amount
Buyers Credit for Capital Goods	₹ 547.31 Lacs, (USD 971,967.60) {P.Y. ₹ 6,33.91 Lacs, (USD 14,17,519)}
Creditors for Capital Goods	₹ 499.43 Lacs. (USD 1,00,000), (JPY 6,25,00,000) {P.Y ₹ 901.45 Lacs, (USD 12,41,505.35), (JPY 6,25,00,000)}
Foreign Currency Loan	₹ 3024.11 Lacs, (USD 53,70,569.28) {P.Y ₹ 2401.72 Lacs, (USD 53,70,569.28)}
EEFC Account	₹ 1.53 Lacs, (USD 2741.36) {P.Y. ₹ 146.75 Lacs, (USD 3,28,163.83) }
Foreign Debtors	₹ 1070.48 Lacs, (USD 19,01,089.06) (P.Y. ₹ 465.96 Lacs (USD 10,41,957.41))
Advance for Import of Capital Goods	₹ 3.39 Lacs, (USD 6,000) {P.Y. ₹ Nil}
Advance for Expenses	₹ 9.53 Lacs, (AED 63,090) {P.Y. ₹ Nil}
* Converted at the foreign exchange conversion rate prevailing on the date of Balance Sheet.	

NOTE - 37

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, godowns 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.

₹ in Lacs

	Operating Lease	
	2011-12	2010-11
Lease payments for the year	346.37	276.94
Minimum Lease Payments :		
Not later than one year	84.08	45.44
Later than one year but not later than five years	-	-
Later than five years	-	-

(i) 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, 2012 are ₹ 1.20 Lacs (P.Y. ₹ 2.07 lacs). The future rent receivable on operating lease is NIL.

₹ In Lacs

Particulars	Not Later than one year	Later than one year but not later than 5 years	Later than 5 years
Minimum Lease Rental Receivable	1.00	-	-

NOTE - 38

The company has given a sum of AED 63,090 (equivalent to ₹ 9.53 lacs) towards incorporation expenses of its wholly owned subsidiary namely Usher Worldwide FZE in UAE. The said expenses have been shown in Note No.18.

Though the company has been incorporated on 03.06.2012, however operations has not been started till the balance sheet date as there are further formalities to be complied with.

NOTE - 39

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.

NOTE - 40

Related Parties

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 Key Management Personnel	Dr. Vinod Kumar Chaturvedi (Managing Director) Mr. Manoj Pathak (Whole Time Director)
Relatives of key Management Personnel	Mrs. Samta Chaturvedi, (wife of Managing Director Dr. Vinod Kumar 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 Capitals Limited. Vedika Finance Pvt. Limited Usher Oils & Foods Limited. Usher Infra Logic Limited. Narayani Nivesh Nigam Private Limited Usher World Wide FZE

₹ In Lacs

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	
	2012	2011	2012	2011	2012	2011	2012	2011
Employee Benefits for Key Management Personnel								
Dr. Vinod Kumar Chaturvedi			58.29	18.00	-			
Mr. Manoj Pathak			43.76	12.00				
Share Application Money received								
Narayani Nivesh Nigam Pvt. Ltd.								99.94
Usher Capitals Ltd.								61.50
Share alloted to related party								
Narayani Nivesh Nigam Pvt. Ltd.								99.94
Usher Capitals Ltd.								61.50
Loan/Business Advances Taken/repaid by								
Usher Eco Power Ltd.	25.11	63.00						
Usher Oils & Foods Ltd.							512.05	63.87
Usher Infra Logic Ltd.							895.78	
Loan/Business Advances Given/repaid to								
Usher Eco Power Ltd.	724.49	63.00						
Narayani Nivesh Nigam Pvt. Ltd.							40.74	
Usher Oils & Foods Ltd.							408.65	63.87
Vedika Finance Private Ltd.							1.12	
Usher Infra Logic Ltd.							881.54	
Advance against supply								
Usher Eco Power Ltd.	252.50							
Sale of goods								
Usher Eco Power Ltd.	119.02							
Purchase of materials								
Usher Infra Logic Ltd.								
Rent Income (Truck/office)								
Usher Eco Power Ltd.		0.74						
Usher Infra Logic Ltd.							0.60	1.34
Proceeds of Rental Income								
Usher Eco Power Ltd.		0.74						
Usher Infra Logic Ltd.							1.94	
Rent Expenses (Trucks/Office)								
Usher Infra Logic Ltd.							88.56	73.64
Narayani Nivesh Nigam Pvt. Ltd.							4.80	1.86
Mrs. Shimla Pathak							-	1.20
Payment of Rent (Truck/Office)								

Usher Infra Logic Ltd.							88.56	
Narayani Nivesh Nigam Pvt. Ltd.							6.12	0.53
Expenses Incurred by related party on our Behalf								
Usher Eco Power Ltd.	15.74							
Narayani Nivesh Nigam Pvt. Ltd.							6.12	0.53
Reimbursement of expenses to related party								
Usher Eco Power Ltd.	15.74							
Narayani Nivesh Nigam Pvt. Ltd.							2.05	1.60
Expenses Incurred for related party								
Usher Eco Power Ltd.	25.23							
Usher Infra Logic Ltd.							3.48	0.41
Usher Oils & Foods Ltd.							17.35	
Usher Capitals Ltd.							2.35	
Usher World Wide FZE							9.53	
Reimburse by the related party								
Usher Eco Power Ltd.	25.23							
Usher Oils & Foods Ltd.							17.35	
Usher Infra Logic Ltd.							3.48	0.41
Usher Capitals Ltd.							0.10	
Investments (including Share Application Money)								
Usher Eco Power Ltd.		324.92						
Usher Infra Logic Ltd.							1.13	(33.00)
Shares alloted by related party								
Usher Infra Logic Ltd.							11.28	
Usher Eco Power Ltd.	324.92							
Sale of Investments								
Dr. Vinod Kumar Chaturvedi			16.50					
Narayani Nivesh Nigam Pvt. Ltd.							40.00	
Vedika Finance Private Ltd.							36.00	
Proceeds from Sales								
Vinod Kumar Chaturvedi			16.50					
Narayani Nivesh Nigam Pvt. Ltd.							40.00	
Vedika Finance Private Ltd.							36.00	
Balances Outstanding at the year end. Debit/(credit)*								
Dr. Vinod Kumar Chaturvedi			(43.43)	(8.26)				
Mr. Manoj Pathak			(49.11)	(1.00)				
Vedika Finance Private Ltd.							1.12	
Usher Eco Power Ltd.	1,070.89							
Usher Infra Logic Ltd.							(14.24)	
Narayani Nivesh Nigam Pvt. Ltd.							40.74	
Usher Capitals Ltd.							2.25	
Usher Oils & Foods Ltd.							(103.40)	
Usher World Wide FZE							9.53	
*Excluding investment in shares and application money								

NOTE - 41

Raw Material Consumed ₹ In Lacs

Particulars	2011-12	2010-11
Paddy & Dehusked Raw Rice	61,202.38	41,155.87
Wheat	7,109.49	7,491.84
Packing Material	400.73	762.99
Total	68,712.59	49,410.71

NOTE - 42

Purchase of Raw Material ₹ In Lacs

Particulars	**2011-12**	2010-11
Paddy & Dehusked Raw Rice	**68,553.27**	47,121.40
Wheat	**6,798.53**	7,325.53
Packing Material	**553.05**	812.71
Total	**75,904.85**	55,259.63

NOTE - 43

Value of Sales, Closing and Opening Inventory ₹ In Lacs

Particulars	**2011-12**	2010-11
Opening Stock of finished Goods and By products		
Rice	**7,142.70**	3,954.99
Wheat Products	**143.93**	70.54
Husk	**23.19**	262.23
Bran	**130.28**	57.32
Total	**7,440.10**	4,345.08
Sales		
Rice	**71,211.26**	45,122.46
Wheat Product	**8,690.02**	9,320.30
Bran	**1,063.58**	1,210.46
Husk	**204.87**	421.35
Total	**81,169.73**	56,074.57
Closing Stocks		
Finished Rice	**6,634.08**	7142.69848
Wheat Product	**165.30**	143.93459
Husk	**743.68**	23.18777
Bran	**1,749.49**	130.27612
Total	**9,292.55**	7,440.10

NOTE- 44

Capital Commitments

₹ In Lacs

Particulars	2011-12	2010-11
Estimated amount of contracts remaining to be executed on capital account and not provided for.	**22.01**	44.35
Total	**22.01**	44.35

NOTE - 45

Provision for Taxation

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, 2012, financial year ending as per the said Act.

NOTE - 46

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

NOTE - 47

In the opinion of the Board the Assets (other than fixed assets & non current investments) are approximately of the value stated if realized in the ordinary course of business and the provisions of all known liabilities are adequate.

NOTE - 48

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 ₹ (803.62) Lacs (P.Y. 0.99 lacs) has been reduced/added from CWIP/pre operative expenses account.

NOTE - 49

The financial statements for the year ended March 31, 2011 had been prepared as per the applicable, pre-revised Schedule VI to the Companies Act,1956 ('the Act'). During the year, the revised Schedule VI notified under the Act has become applicable to the Company. Accordingly, the Company has reclassified previous year figures to conform to the current year's classification. The adoption of revised schedule VI does not impact recognition and measurement principle followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements.

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

Ashutosh Dwivedi
Partner
Membership No. 410227

Date : 29th August, 2012
Place : Mumbai

For and on behalf of Board of Usher Agro Limited

Sarika S. Singh
Company Secretary

Vinod Kumar Chaturvedi
Managing Director

Manoj Pathak
Wholetime Director

CONSOLIDATED AUDITORS' REPORT

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, 2012, 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 ₹ 10,489.26 Lacs as at March 31, 2012, total revenues of ₹ 1.24 Lacs and net cash inflows amounting to ₹ (2,459.82) 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 this 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, 2012 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 : 29th August, 2012

CONSOLIDATED BALANCE SHEET AS AT 30TH JUNE 2012

₹ In Lacs

Particulars	Note	As at 30th June, 2012	As at 30th June, 2011
I EQUITY AND LIABILITIES			
1 Shareholder's Fund			
a Share Capital	3	3,805.90	3,805.90
b Reserves and Surplus	4	23,339.31	19,768.43
		27,145.22	23,574.33
2 Share Application Money		-	138.10
3 Minority Interest		719.44	561.56
4 Non-Current Liabilities			
a Long-Term Borrowings	5	17,538.87	12,140.47
b Deferred Tax Liabilities (Net)	6	979.86	872.14
c Other Long Term Liabilities		1.50	1.50
d Long-Term Provisions	7	12.29	19.45
		18,532.52	13,033.56
5 Current Liabilities			
a Short-Term Borrowings	8	33,607.28	22,755.91
b Trade Payables	9	3,410.96	1,966.08
c Other Current Liabilities	10	5,123.52	3,232.30
d Short-Term Provisions	11	1,612.07	1,144.93
		43,753.83	29,099.22
TOTAL		90,151.01	66,406.77
II ASSETS			
1 Non-current Assets			
a Fixed assets	12		
i. Tangible Assets		15,838.94	15,998.69
ii. Intangible Assets		9.56	10.29
iii Goodwill		42.50	31.75
ii. Capital Work-In-Progress	30	13,286.28	4,657.40
		29,177.28	20,698.14
b Non-Current Investments	13	11.28	102.64
c Long-Term Loans And Advances	14	824.47	625.73
d Other Non Current Assets	20	523.22	779.35
		1,358.96	1,507.72
2 Current Assets			
a Inventories	15	31,750.38	22,664.06
b Trade Receivables	16	20,711.98	13,075.66
c Cash and Cash Equivalents	17	5,372.14	7,449.30
d Short-Term Loans And Advances	18	610.32	44.98
e Other Current Assets	19	1,169.96	966.92
		59,614.77	44,200.92
TOTAL		90,151.02	66,406.77
Notes to Balance Sheet and Statement of profit and loss	1-54		

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

Sarika S. Singh
Company Secretary

Vinod Kumar Chaturvedi
Managing Director

Manoj Pathak
Wholetime Director

Date : 29th August, 2012
Place : Mumbai

CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 2012

₹ In Lacs

	Particulars	Note	Year Ended 30th June, 2012	Year Ended 30th June, 2011
I	Revenue from Operations	21	**81,128.12**	56,074.57
II	Other Income	22	**197.26**	180.43
III	Total Revenue (I + II)		**81,325.38**	56,255.00
IV	Expenses:			
	Cost of Materials Consumed	23	**68,670.98**	49,410.71
	Changes in Inventories(Increase)/Decrease of Finished Goods	24	**(1,852.45)**	(3,331.02)
	Employee Benefits Expense	25	**857.17**	740.97
	Finance Costs	26	**3,904.64**	2,184.02
	Depreciation and Amortization Expense	27	**1,465.70**	870.83
	Other Expenses	28	**2,770.57**	1,811.96
	Total expenses		**75,816.61**	51,687.47
V	**Profit before exceptional and extraordinary items and tax (III-IV)**		**5,508.77**	4,567.53
VI	Exceptional items		**-**	
VII	**Profit before extraordinary items and tax (V - VI)**		**5,508.77**	4,567.53
VIII	Extraordinary Items		**-**	-
IX	**Profit before tax (VII- VIII)**		**5,508.77**	4,567.53
X	**Tax Expense:**			
	(1) Current Tax		**1,135.13**	698.45
	(2) Deferred Tax		**107.73**	311.11
	(3) Short /(Excess) Provision for Income Tax for Earlier Years		**46.48**	33.74
XI	**Profit (Loss) for the period from continuing operations (IX-X)**		**4,219.43**	3,524.23
	Minority Interest		**(4.22)**	(5.43)
XII	Profit/(loss) from discontinuing operations		**-**	-
XIII	**Tax expense of discontinuing operations**		**-**	-
XIV	**Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)**		**-**	-
XV	**Profit (Loss) for the period (XI + XIV)**		**4,223.65**	3,529.66
XVI	Earnings per equity share:			
	Basic		**11.10**	11.91
	Diluted		**11.10**	11.91
	Notes to Balance Sheet and Statement of profit and loss	1-54		

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

Sarika S. Singh
Company Secretary

Vinod Kumar Chaturvedi
Managing Director

Manoj Pathak
Wholetime Director

Date : 29th August, 2012
Place : Mumbai

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2012

₹ In Lacs

	Particulars	For the year ended 30th June, 2012	For the year ended 30th June, 2011
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit/(Loss) before Tax	5,508.78	4,567.53
	Less: Other Income	(197.26)	(180.43)
	Add: Loss on sale of assets	2.50	0.71
	Add: Interest cost	847.15	808.23
	Add: Depreciation\Amortisation	1,465.70	870.83
	Operating Profit/(Loss) before working capital changes	7,626.88	6,066.86
	Adjustments for movement in working capital:		
	Adjustment for (Increase)/ Decrease in operating Liabilities		
	Trade Payables	1,444.88	(330.48)
	Short-Term Borrowings	10,851.37	10,473.30
	Other Current Liability	2,053.32	3,192.01
	Short term provision	0.43	1.29
	Long term provision	(7.16)	1.48
	Adjustment for (Increase)/ Decrease in operating Liabilities		
	Inventories	(9,086.32)	(9,179.94)
	Trade Receivables	(7,636.32)	(6,522.71)
	Short-term Loans & Advances	(565.34)	(711.95)
	Other Current Assets	(203.03)	77.79
	Cash from / (Used in) Operating Activities	4,478.70	3,067.65
	Other Income	52.28	180.43
	Tax Paid	(807.53)	(434.78)
		3,723.45	2,813.30
	Net Cash from / (Used in) Operating Activities (A)		
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	(Purchase)/Sale of Fixed Assets (Including CWIP)	(9,936.61)	(10,688.55)
	Long Term Loan/Advances (include non current assets)	57.39	49.81
	Interest Income	144.98	-
	Investment	91.37	48.95
	Cash from / (Used in) Investing Activities (B)	(9,642.86)	(10,589.78)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Long Term Borrowings	5,398.40	489.11
	Interest Cost	(847.15)	(808.23)
	Proceeds from Issue of Shares & Share Application Money	(138.10)	10,482.40
	Others Misc.	-	32.28
	Dividend Paid	(570.89)	-
	Cash from / (Used in) Financing Activities (C)	3,842.26	10,195.56
	Net Increase/ (Decrease) in Cash & Cash Equivalents (A)+(B)+(C)	(2,077.15)	2,419.08
	Cash & Cash equivalent as at beginning of the year	5,183.83	3,857.48
	Other Bank Balance as at beginning of the year	2,265.47	1,168.82
	Cash & Cash equivalent as at end of the year	3,525.23	5,136.35
	Other Bank Balance as at end of the year	1,846.91	2,309.03
	Net Increase/ (Decrease) in Cash & Cash Equivalents	(2,077.16)	2,419.08

Additional information:

1) Figures in brackets represent outflows.
2) Previous years figures have been restated where necessary.

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

Sarika S. Singh
Company Secretary

Vinod Kumar Chaturvedi
Managing Director

Manoj Pathak
Wholetime Director

Date : 29th August, 2012
Place : Mumbai

CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

1. Corporate Overview

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.

2.1 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

Depreciation on Fixed Assets pertaining to Electricity Business (UEPL):

Pursuant to the General Circular No. 31 / 2011 (No.51/23/2011-CL-III) dated 31st May-11 from Ministry of Corporate Affairs, it was clarified that the rates of depreciation and methodology notified under Electricity Act, 2003 for electricity business prevails over the rates notified under Schedule XIV to the Companies Act, 1956. As the rates prescribed under the Electricity Act being a special Act and specific for the industry prevails over the general rates prescribed under Schedule XIV to the Companies Act, 1956 applicable to all types of industries, the Company has revised its accounting policy and methodology relating to charging of depreciation with effect from 1st April 2009 following the rates and methodology notified by the Uttar Pradesh Electricity Regulatory Commission (UPERC). Accordingly, accumulated depreciation of Rs. 69.45 thousands for the years 2009-10 and 2010-11, has been written back during the current financial year and reduced from the pre operative expenditure. Similarly, the depreciation charge included in the pre operative expenditure for the current year ended March 31, 2012 is higher by ₹ 65.55 thousands on account of such change.

(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 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.

Depreciation on the Fixed Assets pertaining to Electricity business (UEPL) are provided on Straight Line Method, as per the rates and in the manners prescribed as per the Uttar Pradesh Electricity Regulatory Commission (UPERC).

(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, 2012	% of voting power held on 30th June, 2011
Usher Eco Power Ltd.	India	22nd August, 2010	69.49	70.18

(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.

2.2 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 – Rs.581.16 LACS

2.3. 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.

(₹ In Lacs)

PARTICULARS	**As at 30.06.2012**	As at 30.06.2011
NOTE - 3		
SHARE CAPITAL		
Authorised Share Capital		
4,00,00,000 (Prev.Year 4,00,00,000) Equity Shares of ₹ 10/- each	**4,000.00**	4,000.00
TOTAL	**4,000.00**	4,000.00
Issued, Subscribed and Paid up share capital		
38059039 (P.Y.38059039) Equity Shares of ₹ 10/- each	**3,805.90**	3,805.90
Eco Shares Capital		
Equity Share Application Money Pending Allotment	**-**	138.10
TOTAL	**3,805.90**	3,944.00

a) **A reconciliation of the number of shares outstanding at the beginning and at the end of the accounting year, is set out below:**

Particulars	**2011-2012 No. of shares**	2010-2011 No. of shares
Equity Shares		
Equity shares at the beginning of the year	**38,059,039**	22,262,239
Add: shares issued during the year	**-**	15,796,800
Equity shares at the end of the year	**38,059,039**	38,059,039

b) The Company has only one class of equity shares having a par value of ₹ 10. The equity shares have rights, preferences and restrictions which are in accordance with the provisions of law, in particular the Companies Act,1956.

c) There are nil number of shares (Previous year Nil) in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiary or associates of the holding company or the ultimate holding company in aggregate.

d) **Shares in the company held by each shareholders holding more than 5% shares, as on 30.06.2012:**

Name of the Shareholder	**2011-2012**		2010-2011	
	No. of shares	**Percentage (%)**	No. of shares	Percentage (%)
Dr. Vinod Kumar Chaturvedi	3,891,340	10.23	3,856,340	10.13
Mr. Manoj Pathak	3,284,060	8.63	3,284,060	8.63
AIWO Limited	4,951,893	13.01	4,951,893	13.01
Elara India Opportunities Fund Limited	2,590,312	6.81	3,283,352	8.63
Parin Trading Private Limited	2,100,000	5.52	2,100,000	5.52

e) There are nil number of shares (Previous year Nil) reserved for issue under option and contracts /commitment for the sale of shares/disinvetment including the terms and amounts.

f) For the period of five years immediately preceding the date as at which the balance sheet is prepared

Particulars	No of Equity Shares
Aggregate number and class of shares allotted as fully paidup pursuant to contract(s) without payment being received in cash	Nil
Aggregate number and class of shares allotted as fully paidup by way of bonus shares.	Nil
Aggregate number and class of shares bought back	Nil

g) During the year there are no securities issued/converted which are convertible into equity/preference shares. However 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. out of which, 10 Lacs warrants and 50 Lacs warrants have been converted in to equity share in financial year 2009-10 and 2010-11 respectively.

h) There are no calls unpaid (Previous year No) including calls unpaid by Directors and Officers as on balance sheet date

(₹ In Lacs)

PARTICULARS	As at 30.06.2012	As at 30.06.2011
NOTE - 4		
RESERVES AND SURPLUS		
General Reserve		
Opening balance	1,052.00	652.00
(+) Current Year Transfer	600.00	400.00
(-) Written Back in Current Year	-	-
Closing Balance	1,652.00	1,052.00
Securities Premium	11,546.21	2,420.32
Add:Received during the year	-	9,481.48
	11,546.21	11,901.81
Less: Public Issue Expenses Write Off	-	32.28
Less: QIP Expenses Write Off	-	323.32
	11,546.21	11,546.21
Debt Redemption Reserve		
Opening balance	-	-
Add: during the year	500.00	-
Closing Balance	500.00	-
Profit and Loss Account		
Opening balance	7,170.22	4,708.47
(+) Net Profit/(Net Loss) For the current year	4,223.66	3,529.66
(-) Debt Redemption Reserve	500.00	-
(+) Attributable to pre profit	10.75	-
(-) Proposed Dividends	570.89	570.89
(-) Corporate Dividend Tax	92.63	97.02
(-) Transfer to Reserves	600.00	400.00
Closing Balance	9,641.11	7,170.22
TOTAL	23,339.32	19,768.43

(₹ In Lacs)

PARTICULARS	As at 30.06.2012	As at 30.06.2011
NOTE - 5		
LONG-TERM BORROWINGS		
Term Loans(Secured)		
i) From Banks		
In Foreign Currency[1]	12,968.46	7,031.92
In Rupees[2]	4,537.38	5,026.56
ii) From Financial Institutions		
In Rupees[3]	33.02	81.99
TOTAL	17,538.87	12,140.47

1 Foreign Currency borrowings are secured by way of first pari passu charge on the entire immovable and movable assets of the company and second pari passu charge on the entire current assets of the company present and future created in favour of respective Banks/Trustees along with the personal guarantees of the Directors of the Company namely Mr. Vinod K. Chaturvedi and Mr. Manoj Pathak.

	Repayment Schedule		
Loan From Banks	**No. of Installments**	**Frequency**	**Commencing from**
Axis Bank Ltd	24	Quarterly	June,2012
Rabo Bank International Ltd	9	Half yearly	Dec, 2012
ICICI Bank Ltd.	11	Half yearly	Sept, 2014

2 Rupee Term Loan are secured by way of first pari passu charge on the entire immovable and movable assets of the company and second pari passu charge on the entire current assets of the company, both present and future created in favour of respective Banks/Trustees along with the personal guarantees of the Directors of the company namely Dr. Vinod K. Chaturvedi and Mr. Manoj Pathak.

	Repayment Schedule		
Loan From Banks	**No. of Installments**	**Frequency**	**Commencing from**
Axis Bank Ltd	20	Quarterly	March,2012
Axis Bank Ltd	20	Quarterly	Sept, 2014
IDBI Bank Ltd	20	Quarterly	June, 2009
IDBI Bank Ltd	9	Quarterly	Jan, 2011

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

PARTICULARS	As at 30.06.2012	As at 30.06.2011
NOTE - 6		
DEFERRED TAX LIABILITIES (NET)		
(In respect of the timing differences)		
Opening Balance	872.14	561.02
Add : On account of Depreciation	106.55	316.59
Less: On Account of Employee Benefit	(1.17)	1.26
Less: Opening Deferred Tax Adjustment	-	4.22
Closing Balance	979.86	872.14

(₹ In Lacs)

PARTICULARS	As at 30.06.2012	As at 30.06.2011
NOTE - 7		
LONG TERM PROVISIONS		
Provision for employee benefits		
Provision for Gratuity	11.78	19.45
Provision for Leasve Encashment	0.51	-
TOTAL	12.29	19.45
NOTE - 8		
SHORT-TERM BORROWINGS		
(Loans Repayable on Demand)		
*Secured Borrowings**		
i) From Banks	32,783.72	20,755.91
Unsecured Borrowings		
i) From Banks	-	2,000.00
ii) From Others	823.56	-
TOTAL	33,607.28	22,755.91

* Cash credit /working capital credit facilities are secured by way of first pari passu charge over the entire current assets and second paripassu charge over the entire Immovable and moveable assets of the company, both present and future created in favour of respective banks/trustees alongwith personal guarantees of the Directors of the company namely Dr. Vinod Kumar Chaturvedi and Mr. Manoj Pathak.

NOTE- 9

TRADE PAYABLES		
For Goods	3,243.54	1,797.85
For Others	167.41	168.23
TOTAL	3,410.96	1,966.08

The Company has not received any information from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amount unpaid as at year end together with interest paid/payable under this Act have not been given.

NOTE - 10

OTHER CURRENT LIABILITIES		
Current Maturities of Long-Term Debts	2,904.93	1,961.20
Interest accrued but not due on borrowings	59.07	17.76
Interest accrued and due on borrowings	-	11.88
Unclaimed Dividends	10.68	7.43
Deposits Payables	2.54	-
Project Creditors	1,587.06	1,108.45
Advance from Customers	87.45	-
Other Liabilities including Statutory Liabilities	248.67	120.05
Retention from Contractors	120.33	5.5234
Advance received from related party		
Usher Oils & Foods Ltd	102.80	-
TOTAL	5,123.52	3,232.30

(₹ In Lacs)

PARTICULARS	As at 30.06.2012	As at 30.06.2011
NOTE - 11		
SHORT TERM PROVISIONS		
Provision for employee benefits		
Contribution to PF	**3.65**	3.41
Provision for gratuity	**0.18**	0.00
ESIC	**0.32**	0.30
Other Provisions		
Income Tax (Net of Advance tax & TDS)	**944.42**	473.31
Dividend	**570.89**	570.89
Corporate Dividend Tax	**92.63**	97.02
TOTAL	**1,612.07**	1,144.93

NOTE - 12

FIXED ASSETS

(₹ In Lacs)

Description	GROSS BLOCK (AT COST)				DEPRECIATION					NET BLOCK	
	As at 01.07.2011	Additions	Deductions	As at 30.06.2012	01.07.2011	For the year	Deduction	Adjustment	As At 30.06.2012	As At 30.06.2012	As at 30.06.2011
TANGIBLE ASSETS											
LAND	1,881.93	160.94	-	**2,042.87**	-	-	-		**-**	**2,042.87**	1,881.93
OFFICE BUILDING	255.73	-	-	**255.73**	9.51	4.17	-		**13.68**	**242.05**	246.22
BUILDING	3,223.57	17.32	-	**3,240.89**	243.67	107.99	-		**351.66**	**2,889.23**	2,979.91
GODWONS	523.81	-	-	**523.81**	16.71	17.50	-		**34.20**	**489.61**	507.10
PLANT & MACHINERY	11,691.54	1,131.27	-	**12,822.81**	1,660.24	1,296.51	-		**2,956.74**	**9,866.07**	10,031.30
ELECTRICAL INSTALLATION	41.87	-	-	**41.87**	18.76	4.33	-		**23.09**	**18.78**	23.11
COMPUTER & PRINTER	49.68	4.22	-	**53.90**	19.46	7.86	-	(0.71)	**26.62**	**27.28**	30.21
TUBE WELL,WATER TANKS &	8.73	-	-	**8.73**	0.66	0.14	-		**0.80**	**7.93**	8.07
PIPINGS											
FURNITURE & FIXTURE	59.42	2.22	-	**61.64**	9.73	3.82	-	0.00	**13.55**	**48.09**	49.69
VEHICLE	148.12	22.62	39.26	**131.48**	33.28	14.91	6.38	-	**41.81**	**89.67**	114.84
OFFICE EQUIPMENT	47.85	3.15	-	**51.00**	4.61	2.35	-	0.01	**6.98**	**44.02**	43.23
LABORATORY & STORE EQUIPMENTS	97.19	0.38	-	**97.57**	14.11	10.10	-		**24.21**	**73.36**	83.08
TOTAL	18,029.44	1,342.11	39.26	**19,332.28**	2,030.75	1,469.67	6.38	(0.69)	**3,493.34**	**15,838.94**	15,998.69
Previous Year	9,543.28	8,496.10	9.94	**18,029.44**	1,165.00	872.54	6.79	-	**2,030.75**	**15,998.69**	8,378.28

* Adjustment made due to change in accounting policy of Usher Eco Power Ltd.

(₹ In Lacs)

PARTICULARS	As at 30.06.2012	As at 30.06.2011
NOTE - 13		
NON-CURRENT INVESTMENTS		
Trade Investments		
In related Party		
Usher Infra Logic Limited	11.28	-
(11,275 (PY Nil) Equity Shares of Rs.10 each fully paid up)		
Share Application Money (Pending for allotment)	-	102.64
TOTAL	11.28	102.64
NOTE - 14		
LONG-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Security Deposits	88.66	96.83
Capital Advances	735.80	528.90
TOTAL	824.47	625.73
NOTE - 15		
OTHER NON CURRENT ASSETS		
Pre IPO Expense	165.08	70.95
Upfront Fee(Unamortised)	358.14	708.39
TOTAL	523.22	779.35
NOTE - 16		
INVENTORIES		
(As valued and certified by the Management)		
Raw Materials & work in process	22,416.22	15,223.96
Finished goods	9,292.55	7,440.10
Inventory-Eco	41.61	-
TOTAL	31,750.38	22,664.06
NOTE- 17		
TRADE RECEIVABLES		
(Unsecured, Considered Good)		
Trade receivables (outstanding for a period less than six months)	20,624.60	12,996.94
Trade receivables (outstanding for a period exceeding six months)	87.39	78.72
TOTAL	20,711.98	13,075.66

(₹ In Lacs)

PARTICULARS	As at 30.06.2012	As at 30.06.2011
NOTE - 18		
CASH & BANK BALANCE		
Cash & Cash Equivalents		
Cash on hand	**40.68**	43.98
Cash on hand-Eco	**15.19**	13.66
Balance with Bank		
Balance with Scheduled Banks - In Current Accounts	**3,467.83**	5,122.74
Balance with Scheduled Banks - In EEFC Accounts	**1.53**	3.45
Other Bank Balance		
Fixed Deposits (held as margin money/guarantee given)	**1,836.23**	2,255.04
Eamarked Balance - In Dividend Accounts	**10.68**	10.43
TOTAL	**5,372.14**	7,449.30
NOTE - 19		
SHORT-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Business advances to related parties		
Usher Eco Power Ltd.	**493.37**	12.38
Usher Oils & Foods Ltd.	**-**	5.62
Narayani Nivesh Nigam Pvt Ltd.	**40.74**	-
Vedika Finance Pvt Ltd.	**1.12**	-
Usher Capitals Ltd	**2.25**	-
Usher World wide FZE,UAE	**9.53**	
Other loans and advances		
Advance Recoverable in Cash	**62.39**	26.49
Adance for Expenses	**0.54**	-
Advanc to Staff	**0.37**	0.49
TOTAL	**610.32**	44.98
NOTE - 20		
OTHER CURRENT ASSETS		
Advance to Suppliers	**781.19**	709.29
Pre Paid Expenses	**8.54**	6.50
Interest accrued but not received	**10.35**	0.09
Staff Advance	**34.62**	10.30
Receivable from Government	**264.15**	213.59
Upfront Fees (Unamortised)	**66.11**	27.15
Others advances	**5.00**	-
TOTAL	**1,169.96**	966.92

(₹ In Lacs)

PARTICULARS	As at 30.06.2012	As at 30.06.2011
NOTE - 21		
INCOME FROM OPERATIONS		
Sale of Products-Domestic	71,782.73	50,121.73
Sale of Products-Exports	9,345.38	5,952.84
TOTAL	81,128.12	56,074.57
NOTE - 22		
OTHER INCOME		
Interest Income	144.98	155.77
Other Non-operating Income	52.28	24.66
TOTAL	197.26	180.43
NOTE - 23		
COST OF MATERIALS CONSUMED		
Raw Materials consumed	68,670.98	49,410.71
TOTAL	68,670.98	49,410.71
NOTE - 24		
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock of Finished Goods	7,440.10	4,109.08
Less: Closing Stock of Finished Goods	9,292.55	7,440.10
TOTAL	(1,852.45)	(3,331.02)
NOTE - 25		
EMPLOYEE BENEFITS EXPENSE		
Salaries and incentives	817.92	692.30
Contributions to -		
- Provident fund	17.72	21.83
Gratuity fund contributions	(3.61)	3.78
Contrbution to Staff Insurance premium	1.54	-
ESIC	3.23	3.11
Staff welfare expenses	20.38	19.96
TOTAL	857.17	740.97
NOTE - 26		
FINANCE COSTS		
Bank Charges	255.07	205.73
Bank Interest	3,648.05	1,975.37
Other Interest	1.52	2.92
TOTAL	3,904.64	2,184.02

(₹ In Lacs)

PARTICULARS	As at 30.06.2012	As at 30.06.2011
NOTE - 27		
DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation	1,464.96	870.09
Depreciation-ECO	0.74	0.74
TOTAL	1,465.70	870.83
NOTE - 28		
OTHER EXPENSES		
Power & Fuel	772.58	572.55
Freight & Cartage	177.21	113.67
Export Freight including Expenses	720.32	232.06
Stores & Spares Consumed	31.54	32.34
Travelling & Conveyance	51.03	46.91
Printing & Stationery	18.39	21.22
Directors Remuneration and Managerial Commission	119.21	30.00
Provision for CSR Activity	25.75	-
Director's Sitting Fee	5.78	4.70
Postage ,Courier & Telephone	16.18	17.03
Insurance	20.71	13.62
Rent	16.24	14.19
Warehousing Charges	330.13	262.74
Repairs & Maintenance - Plant & Machinery	51.37	54.92
Repairs & Maintenance - Building	0.83	17.05
Running & Maintenance - Vehicle	31.31	33.63
Repairs & Maintenance - Others	5.78	10.64
Subscriptions & Membership	3.37	7.26
Legal & Professional Fees	32.28	46.16
Loss/(Gain) on Foreign Exchange Fluctuation	18.79	16.83
Office & Misc Expenses	39.60	25.21
Quality Control Expenses	5.44	19.95
Rebate & Discount	65.01	23.18
Loss on Sales of Car	2.50	0.71
Filing fees /R.O.C fee	4.43	2.02
Handling Charges	11.33	20.82
Brokerage & Commission	148.41	94.50
Advertisement & Business Promotion	25.04	56.07
Audit fees	5.62	4.00
Other Exps	14.36	17.99
TOTAL	2,770.56	1,811.96

NOTE - 29

(₹ In Lacs)

EARNING PER SHARE (EPS)

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

	Particulars	2011-12	2010-11
i)	Net Profit after tax as per profit and loss account	**4,233.28**	3,524.23
ii)	Net Profit attributable to equity share holders	**4,223.66**	3,524.23
iii)	Net Profit before exceptional item	**4,223.66**	3,524.23
iv)	Weighted Average number of equity shares used as denominator for calculation of Basic EPS	**38059039**	29578745
v)	Weighted Average number of equity shares used as denominator for calculation of Diluted EPS*	**38059039**	29578745
vi)	Basic and Diluted EPS - Basic	**11.10**	11.91
	- Diluted	**11.10**	11.91
vii)	Face Values per equity share	**10**	10

NOTE - 30

CAPITAL WORK IN PROGESS

(₹ In Lacs)

Particulars	2011-12	2010-11
Capital Work in Progess		
Usher Agro Limited		
Civil work of Construction & Land Development	**1,640.02**	439.37
Plant & Machinery under construction	**1,908.16**	1,293.70
Preoperative Expenses related to assets under construction	**845.82**	135.84
Usher Eco Power Limited		
Design Engineering & Consultancy	**60.68**	42.54
Civil Works, Building & Plant & Machinery	**6,804.06**	2,191.85
Furniture & Fixtures CWIP	**4.80**	0.40
Pre Operative Expenses for 18MW	**2.21**	-
Pre Operative Expenses for 16MW	**2,020.53**	553.70
Total	**13,286.28**	4,657.40

NOTE - 31

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 :

(₹ In Lacs)

Particulars	30.06.2012	30.06.2011
Employer’s contribution to Provident Fund, ESIC and Group Insurance	**23.66**	25.88

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

Particulars	30.06.2012	30.06.2011
Opening defined benefit obligation	**22.07**	16.77
Interest cost	**1.77**	0.04
Current service cost	**9.79**	2.92
Past Service cost(Non Vested Benefits)	**-**	12.14
Past Service cost (Vested Benefits)	**-**	-
Benefit paid	**-**	-
Actuarial (gain)/losses on obligation	**(2.47)**	(9.80)
Closing defined benefit obligation	**31.15**	22.07

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

Particulars	30.06.2012	30.06.2011
Opening fair value of plan assets	**2.62**	-
Adjusted in opening balance	**(0.17)**	-
Expected return	**0.45**	0.08
Contributions by employer	**5.17**	2.50
Benefits paid	**-**	-
Actuarial gains / (losses)	**0.04**	0.03
Closing fair value of plan assets	**8.11**	2.62

(iv) Fair value of plan assets: (₹ In Lacs)

Particulars	30.06.2012	30.06.2011
Fair value of plan assets at the beginning of period	**0.03**	-
Adjusted in opening balance	**(0.17)**	-
Actual Return of plan assets	**0.49**	0.12
Contributions	**5.17**	2.50
Benefits paid	**-**	-
Fair value of the plan assets at the end of period	**8.11**	2.62
Funded status (including unrecognized past service cost)	**(11.93)**	(17.43)
Excess of actual over estimated return on plan assets	**0.04**	0.03

(v) Experience History (₹ In Lacs)

Particulars	30.06.2012	30.06.2011
(Gain)/Loss on obligation due to change in Assumption	**(6.55)**	(7.25)
Experience (Gain)/ Loss on obligation	**(7.05)**	(2.37)
Actuarial Gain/(Loss) on plan assets	**0.04**	0.03

(vi) Actuarial gain/(loss) recognized (₹ In Lacs)

Particulars	30.06.2012	30.06.2011
Actuarial gain/(loss) for the period – obligation	**13.59**	9.62
Actuarial gain/(loss) for the period – plan assets	**0.04**	0.03
Total gain/(loss) for the period	**13.63**	9.65
Actuarial gain/(loss) recognized for the period	**13.63**	9.65

(vii) Past Service cost recognised (₹ In Lacs)

Particulars	30.06.2012	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)	-	0.08
Recognized Past Service Cost – (vested benefits)	-	-
Unrecognized Past Service Cost – non vested benefits	-	-

(viii) **The amount recognised in the Balance Sheet** (₹ In Lacs)

Particulars	30.06.2012	30.06.2011
Present value of obligation at the end of the year	31.15	22.07
Fair value of plan assets at the end of the year	8.11	2.62
Funded status	(11.93)	(19.46)
Excess of actual or estimated	-	-
Unrecognized actuarial gains / (loss)	-	-
Unrecognized Past Service cost Non Vested Benefit	-	-
Net assets/(liabilities) recognized in the Balance Sheet	(11.93)	(19.46)

(ix) Expenses recognized in the Profit & Loss account (₹ In Lacs)

Particulars	30.06.2012	30.06.2011
Current service cost	9.79	13.76
Interest cost on benefit obligation	1.77	1.34
Expected return on plan assets	(0.09)	(0.08)
Net actuarial(gain) / loss recognised in the year	(1.25)	(9.84)
Past service cost- Non Vested Benefits	-	0.08
Past Service cost -Vested Benefits	-	-
Expenses recognized in the Profit & Loss A/c	10.21	5.26
Balance sheet		

(x) Details of Provision for gratuity (₹ In Lacs)

Particulars	30.06.2012	30.06.2011
Net liability at the beginning of the year	19.46	16.69
Adjusted in opening balance	0.17	-
Expenses recognized during the year	10.21	5.26
Contribution paid during the year	(5.17)	(2.50)
Net liability at the end of the year	24.67	19.46

NOTE - 32

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, 2012	For the year ended 30th June, 2011
Revenue By Geographical Market		
India	**71,782.73**	50,121.73
Outside India	**9,345.38**	5,952.84
Total	**81,128.12**	56,074.57
Addition To Fixed Assets And Intangible Assets		
(Include Capital work in progress)		
India	**9,970.98**	10,687.94
Outside India	**-**	-
Total	**9,970.98**	10,687.94
Carrying Amount Of Assets		
India	**29,177.28**	20,698.14
Outside India		-
Total	**29,177.28**	20,698.14

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.

NOTE - 33

Auditors Remuneration is as under: (₹ In Lacs)

Particulars	2011-2012	2010-2011
Audit Fees	**6.50**	5.27
For Other Services	**12.86**	-
Tax Audit Fees	**1.50**	1.36
Service Tax	**0.99**	0.68
Service Tax	**21.85**	7.31
Total	**21.85**	7.31

NOTE - 34

Expenditure/Revenue in Foreign Currency

Earnings in foreign currency (Cash/Accrual basis) ₹ 4,331.17 lacs

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

₹ In lacs

Expenditure in foreign currency (Cash/Accrual basis)	2011-2012	2010-2011
Interest on Buyers Credit	**11.48**	9.22
Foreign LC Charges	**1.59**	38.47
Professional Fee	**14.28**	7.93
Travelling Expenses	**3.82**	15.32
Interest payable / Paid on ECB	**484.28**	277.53
Commission	**20.00**	0.69
	535.45	349.16
* Export sales exclude sales to merchant exporter		
Value of imports calculated on CIF basis		
Capital goods		Nil (P.Y. ₹ 2,467.64 Lacs

NOTE - 35

Net dividend remitted in foreign currency **(All are in ₹ In Lacs except nos.)**

	2011-12	2010-11
Number of Non-resident shareholders	**88**	88
Number of Equity Shares held by them	**5132334**	5442405
Amount of dividend paid (Gross), TDS Rs. Nil (P.Y.Nil)	**76.99**	-
Year to which dividend relates	**2010-11**	2009-10

NOTE - 36

Provisions and Contingencies (₹ In Lacs)

Contingent Liabilities not provided for	2011-2012	2010-2011
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 ₹ 1130.24 Lacs (P.Y. ₹ 94.87 Lacs) have been kept with respective bankers for the said letter of credit)	**2,664.54**	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 ₹ Nil (P.Y. ₹ 810.00 Lacs) have been kept with respective bankers for the said letter of credit)	**Nil**	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 ₹ 22.25 Lacs (P.Y. ₹ 27.68) have been kept with respective Banks for the said bank guarantees)"	**25.25**	27.68
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.	**215.59**	239.54

Sales Tax Liability in respect of a matter u/s 25(i)(ii) of UP VAT Act 2008, A.Y. 2011-12 for which the company has made application for rectification of order U/s 32 of UP VAT Acts. 2008, and company also gone in to the appeal with the appropriate forums.	**16.80**	-
Stamp Duty Liability persuant to letter by Stamp Authority, Mathura, dt 13.02.2012	**179.0**	-
Contingent Liabilities not provided for	**2011-2012**	2010-2011
Stamp Duty Liability persuant to letter by Stamp Authority, Mathura, dt 22.02.2012	**111.5**	-
Stamp Duty Liability persuant to letter by Stamp Authority, Mathura, dt 09.08.2012	**161.5**	-
(The management has taken expert legal opinion on the said stamp duty matter and based on that opinion, the total liability in the subject matter may not exceed to ₹ 12.00 lacs and the matter has already been taken up with the appropriate authorities)		
Custom duty saved on Import of capital goods under EPCG Licence Scheme	**-**	251.44
(Export obligation under the said EPCG License Nil (P.Y. ₹ 1951.19 lacs)		

NOTE - 37

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 NIL. (P.Y.Nil)

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

As at	No. of Contract	Amount (In USD)	Amount (In Lacs of ₹)
6/30/2012	1	53,70,569.28	3,024.11
6/30/2011	1	53,70,569.28	2,401.72

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

Particulars	Amount
Buyers Credit for Capital Goods	₹ 547.31 Lacs, (USD 971,967.60) {P.Y. ₹ 6,33.91 Lacs, (USD 14,17,519) }
Creditors for Capital Goods	₹ 499.43 Lacs. (USD 1,00,000), (JPY 6,25,00,000) {P.Y ₹ 901.45 Lacs, (USD 12,41,505.35), (JPY 6,25,00,000)}
Foreign Currency Loan	₹ 3024.11 Lacs, (USD 53,70,569.28) {P.Y ₹ 2401.72 Lacs, (USD 53,70,569.28)}
EEFC Account	₹ 1.53 Lacs, (USD 2741.36) {P.Y. ₹ 146.75 Lacs, (USD 3,28,163.83) }
Foreign Debtors	₹ 1070.48 Lacs, (USD 19,01,089.06) (P.Y. ₹ 465.96 Lacs (USD 10,41,957.41))
Advance for Import of Capital Goods	₹ 3.39 Lacs, (USD 6,000) {P.Y. ₹. Nil}
Advance for Expenses	₹ 9.53 Lacs, (AED 63,090) {P.Y. ₹ Nil}

External Commercial Borrowing	USD 13.25 Million (PY - USD - 10.37 Million)
Interest on Term Loan (ECB)	USD 5,711 (PY - USD -26,599.81)
Bank Balance:	Nil (PY - USD - 3,70,540.90)
* Converted at the foreign exchange conversion rate prevailing on the date of Balance Sheet.	

NOTE - 38

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, godowns 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.

₹ in Lacs

	Operating Lease	
	2011-12	2010-11
Lease payments for the year	**351.17**	278.63
Minimum Lease Payments :		
Not later than one year	**84.08**	45.44
Later than one year but not later than five years	**-**	-
Later than five years	**-**	-

(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, 2012 are ₹ 1.20 Lacs (P.Y. ₹ 2.07 lacs).

₹ In Lacs

Particulars	Not Later than one year	Later than one year but not later than 5 years	Later than 5 years
Minimum Lease Rental Receivable	1.00	-	-

NOTE - 39

The UAL has gien a sum of AED 63,090 (equivalent to ₹ 9.53 lacs) towards incorporation expenses of its wholly owned subsidiary namely Usher Worldwide FZE in UAE. The said expenses have been shown in Note No.18.

"Though the company has been incorporated on 03.06.2012, however operations has not been started till the balance sheet date as there are further formalities to be complied with.

In the view of the above, there is no requirement of consolidation of financial information of the said subsidiary company as on the date of the financial statement."

NOTE- 40

Related Parties

Names of related parties	
Names of other related parties with whom transactions have taken place during the year	
Key Management Personnel	Dr. Vinod Kumar Chaturvedi (Managing Director)
	Mr. Manoj Pathak (Whole Time Director)
Relatives of key management personnel	Mrs. Samta Chaturvedi, (Wife of Managing Director Dr. Vinod Kumar Chaturvedi)
	Mrs. Shimla pathak, (Wife of Whole Time Director Mr. Manoj Pathak)
	Shreyash Chaturvedi(son of Managing Director Dr. Vinod Kumar Chaturvedi)
Enterprises owned or significantly influenced by key management personnel or their relatives	Usher Capitals Limited. Vedika Finance Pvt. Limited Usher Oils & Foods Limited. Usher Infra Logic Limited. Narayani Nivesh Nigam Private Limited Usher World Wide FZE

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**	
	2012	2011	2012	2011	2012	2011
Employee Benefits for Key Management Personnel						
Dr. Vinod Kumar Chaturvedi	80.54	21.00				
Mr. Manoj Pathak	53.88	15.00				
Share Application Money received						
Narayani Nivesh Nigam Pvt. Ltd.						150.94
Usher Capitals Ltd.						112.50
Dr. Vinod Kumar Chaturvedi		26.10				
Mr. Manoj Pathak		10.00				
Share alloted to related party						
Narayani Nivesh Nigam Pvt. Ltd.					51.00	99.94
Usher Capitals Ltd.					51.00	61.50
Dr. Vinod Kumar Chaturvedi	26.10					
Mr. Manoj Pathak	10.00					
Loan/Business Advances Taken/repaid by						
Usher Oils & Foods Ltd.					512.05	63.87
Usher Infra Logic Ltd.					895.78	

Loan/Business Advances Given/repaid to						
Narayani Nivesh Nigam Pvt. Ltd.					40.74	
Usher Oils & Foods Ltd.					408.65	63.87
Vedika Finance Private Ltd.					1.12	
Usher Infra Logic Ltd.					881.54	
Advance against supply						
Usher Eco Power Ltd.						
Sale of goods						
Usher Eco Power Ltd.						
Purchase of materials						
Usher Infra Logic Ltd.						
Sale of Car						
Dr. Vinod Kumar Chaturvedi	21.92					
Shreyash Chaturvedi			5.62			
Rent Income (Truck/office)						
Usher Infra Logic Ltd.					0.60	1.34
Proceeds of Rental Income						
Usher Infra Logic Ltd.					1.94	
Rent Expenses (Trucks/Office)						
Usher Infra Logic Ltd.					88.56	73.64
Narayani Nivesh Nigam Pvt. Ltd.					6.85	1.86
Mrs. Shimla Pathak					-	1.20
Usher Oils & Foods Ltd.					4.80	0.66
Payment of Rent (Truck/Office)						
Usher Infra Logic Ltd.					88.56	-
Narayani Nivesh Nigam Pvt. Ltd.					7.47	0.53
Usher Oils & Foods Ltd.					9.12	0.66
Expenses Incurred by related party on our Behalf						
Narayani Nivesh Nigam Pvt. Ltd.					6.12	0.53
Reimbursement of expenses to related party						
Usher Eco Power Ltd.						
Narayani Nivesh Nigam Pvt. Ltd.					2.05	1.60
Expenses Incurred for related party						
Usher Eco Power Ltd.						
Usher Infra Logic Ltd.					3.48	0.41
Usher Oils & Foods Ltd.					17.39	
Usher Capitals Ltd.					2.45	
Usher World Wide FZE					9.53	
Reimburse by the related party						
Usher Eco Power Ltd.						
Usher Oils & Foods Ltd.					17.35	
Usher Infra Logic Ltd.					3.48	0.41
Usher Capitals Ltd.					0.10	

Investments (including Share Application Money)						
Usher Eco Power Ltd.						
Usher Infra Logic Ltd.					1.13	(33.00)
Shares alloted by related party						
Usher Infra Logic Ltd.					11.28	
Usher Eco Power Ltd.						
Sale of Investments						
Dr. Vinod Kumar Chaturvedi	16.50					
Narayani Nivesh Nigam Pvt. Ltd.					40.00	
Vedika Finance Private Ltd.					36.00	
Proceeds from Sales						
Dr. Vinod Kumar Chaturvedi	16.50					
Narayani Nivesh Nigam Pvt. Ltd.					40.00	
Vedika Finance Private Ltd.					36.00	
Balances Outstanding at the year end, Debit/(credit)*						
Dr. Vinod Kumar Chaturvedi	(43.43)	(9.47)				
Mr. Manoj Pathak	(57.81)	(4.48)				
Vedika Finance Private Ltd.					1.12	
Usher Eco Power Ltd.						
Usher Infra Logic Ltd.					(14.24)	
Narayani Nivesh Nigam Pvt. Ltd.					40.74	
Usher Capitals Ltd.					2.25	
Usher Oils & Foods Ltd.					(103.40)	
Usher World Wide FZE					9.53	
*Excluding investment in shares and application money						

NOTE - 41

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.

NOTE - 42

Raw Material Consumed (₹ In Lacs)

Particulars	2011-12	2010-11
Paddy & Dehusked Raw Rice	**61,202.38**	41,155.87
Wheat	**7,109.49**	7,491.84
Packing Material	**400.73**	762.99
Husk	**58.27**	0
Total	**68,770.86**	49,410.71

NOTE - 43

Purchase of Raw Material (₹ In Lacs)

Particulars	2011-12	2010-11
Paddy & Dehusked Raw Rice	**68,553.27**	47,121.40
Wheat	**6,798.53**	7,325.53
Packing Material	**553.05**	812.71
Total	**75,904.85**	55,259.63

NOTE - 44

Value of Sales, Closing and Opening Inventory (₹ In Lacs

Particulars	2011-12	2010-11
Opening Stock of finished Goods and By products		
Rice	**7,142.70**	3,954.99
Wheat Products	**143.93**	70.54
Husk	**23.19**	26.23
Bran	**130.28**	57.32
Total	**7,440.10**	4,345.08
Sales		
Rice	**71,211.26**	45,122.46
Wheat Product	**8,690.02**	9,320.30
Bran	**1,063.58**	1,210.46
Husk	**104.99**	421.35
Total	**81,069.85**	56,074.57
Closing Stocks		
Finished Rice	**6,634.08**	7,142.70
Wheat Product	**165.30**	143.93
Husk	**785.29**	23.19
Bran	**1,749.49**	130.28
Total	**9,334.16**	7,440.10

NOTE - 45

Capital Commitments (₹ In Lacs

Particulars	2011-12	2010-11
Estimated amount of contracts remaining to be executed on capital account and not provided for.	371.68	44.35
Total	371.68	44.35

NOTE - 46

Provision for Taxation

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, 2012, financial year ending as per the said Act.

NOTE - 47

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

NOTE - 48

In the opinion of the Board the Assets (other than fixed assets & non current investments) are approximately of the value stated if realized in the ordinary course of business and the provisions of all known liabilities are adequate.

NOTE - 49

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 ₹ (803.62) Lacs (P.Y. 0.99 lacs) has been reduced/added from CWIP/pre operative expenses account.

NOTE - 50

The financial statements for the year ended March 31, 2011 had been prepared as per the applicable, pre-revised Schedule VI to the Companies Act,1956 ('the Act'). During the year, the revised Schedule VI notified under the Act has become applicable to the Company. Accordingly, the Company has reclassified previous year figures to conform to the current year's classification. The adoption of revised schedule VI does not impact recognition and measurement principle followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements.

NOTE - 51

"Usher Eco Power Ltd. (UEPL) had entered into a Power Purchase Agreement (PPA) with Tata Power Trading Co. Limited. (TPTCL) on 13th May 2009 to supply power from their 16 MW power project after utilizing power for their auxiliary consumption and captive consumption of their group Companies for a period of 10 years from the date of agreement. The annual average base rate for supply of power was agreed at ₹ 4.50/ kwh till December 2012 and thereon for a period of 5 years rates will be mutually decided by the parties. Further, it is mentioned in the agreement that in case UEPL supplies power from its plant located in Chhatta, Mathura, Uttar Pradesh to any other third party, UEPL will pay the penalty at 3% of selling price to TPTCL for power supplied to third parties. The commercial generation of the plant is expected to in October 2012.

UEPL informed its willingness to supply power to TPTCL. TPTCL has proposed to reduce the base purchase price from ₹ 4.50/Kwh to ₹ 3/kwh which is not viable for the Company and hence Usher Eco Power Limited has signed a Power Purchase Agreement with Dakshinanchal Vidyut Vitran Nigam Limited on 8th August, 2012 for supply of Power at the rate specified for such plant in Schedule II of UPERC (Captive and Non-Conventional Energy Generating Plants) Regulations 2009 for 20 years from the date of commissioning of the plant.

NOTE - 52

Information relating to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below.

Particulars	As at March 31, 2012	As at March 31, 2011
Principal amount due to suppliers under MSMED Act,2006	2.15	-
Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	-	-
Payment made to suppliers(other than Section 16) beyond the appointed day/due date during the year	-	-
Interest paid to suppliers under MSMED Act(Section No.16)	-	-
Interest due and payble towards suppliers under MSMED Act for payments already made.	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	-
Amount of further interest remaining due and payble in succeeding years	0.06	-

NOTE - 53

The UEPL proposes to raise finance through an Initial Public Offering (IPO) to fund its proposed 18MW husk based Co-generation power plant in Chhata, District: Mathura, U.P. The Company had filed the Draft Red Herring Prospectus (DRHP) with Securities and Exchange Board of India (SEBI) and approval for the same is awaited. Further the Company has received in – principal approval from Bombay Stock Exchange and National Stock Exchange to list the equity shares.

NOTE - 54

The UEPL had incurred expenses aggregating ₹ 16507.55 thousands from the financial year 2008-09 till 2011-12 in connection Initial Public Offering (IPO) including ₹ 7095.14 thousands incurred for earlier IPO, that was deferred. The Company proposes to adjust the Pre IPO expenses with the Securities Premium amount to be received against the shares to be issued as promulgated under Section 78 of the Companies Act, 1956. Hence, till such time, the amount has been included under Non Current Asset

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

Ashutosh Dwivedi
Partner
Membership No. 410227

Date : 29th August, 2012
Place : Mumbai

For and on behalf of Board of Usher Agro Limited

Sarika S. Singh
Company Secretary

Vinod Kumar Chaturvedi
Managing Director

Manoj Pathak
Wholetime Director

STATEMENT PERSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Relating to subsidiary Company ₹ In Lacs except as stated

Sr. No.	Particulars	Usher Eco Power Ltd.	Usher Eco Power Ltd.
1	Financial Year of Subsidiary Company ended on	**31/03/2012**	31/03/2011
2	**Shares of subsidiary Company held on above date and extent of holding**		
	a) Equity Shares	**16913731**	13664500
	b) Extent of Holding	**69.49%**	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	**-13.85**	-17.93
	b) Since it became the holding company's subsidiary	**Nil**	-0.30
	ii. Dealt with in the holding company's accounts		
	a) For the financial year of the subsidiary	**Nil**	Nil
	b) Since it became the holding company's subsidiary	**Nil**	Nil
4	**Material Changes, if any between the end of the financial of the subsidiary company and that of the Holding Comapany**		
	i) Increase in Fixed Assets by Usher Eco Power Ltd :		
	Additions in Capital Work In Progress	**340.34**	581.16
5	**Additional information on Subsidiary Company**		
	Share Capital including Share Application Money	**2434.05**	2410.05
	Reserve and Surplus (net of debit balance of Profit & Loss Account)	**-77.4107**	-63.56
	Total Assets (Fixed Assets plus Current Assets)	**10489**	7075.71
	Total Liability (Debts plus Current Liabilities & Provisions)	**8133**	4729.22
	Details of Investment (net of investment in Subsidiary Company)	**Nil**	Nil
	Turnover	**Nil**	Nil
	Profit/(Loss) Before Taxation	**-13.85**	-18.23
	Provision For Taxation	**Nil**	Nil
	Profit/(Loss) After Tax	**-13.85**	-18.23
	Proposed Dividend (including Corp. Dividend Tax)	**Nil**	Nil

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

Ashutosh Dwivedi
Partner
Membership No. 410227

Date : 29th August, 2012
Place : Mumbai

for and on behalf of Board of Usher Agro Limited

Sarika S. Singh	**Vinod Kumar Chaturvedi**	**Manoj Pathak**
Company Secretary	Managing Director	Wholetime Director

NOTES

USHER AGRO LIMITED

Regd. Office: 422, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai- 400 053

ATTENDANCE SLIP

Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the 16th ANNUAL GENERAL MEETING of the Company at Nandkripa Banquet Hall, Four Bungalow Road, Main Market, Andheri (West), Mumbai-400 058, at 11.00 a.m. on Friday, the 21st December, 2012.

....

Full name of the Shareholder (in block capitals) Signature

Folio No.................................... /DP ID No.*.................................... & Client ID No. ....

* Applicable for members holding shares in electronic form.

....

Full name of Proxy Signature

(In block capitals)

NOTE: Shareholder/Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

USHER AGRO LIMITED

Regd. Office: 422, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai- 400 053.

PROXY FORM

I/We...of................................. in the district of .... being a member of the above named Company, hereby appoint....................... of...............in the district of .... or failing him... of................ in the district................................ as my/our Proxy to attend and vote for me/us and on my/our behalf at the 16th ANNUAL GENERAL MEETING of the Company, to be held on Friday, the 21st December, 2012 at 11.00 a.m. and at any adjournment thereof.

Signed this.............. Day of ......2012 Folio No.................. /DP ID No.*.......................... & Client ID

* Applicable for members holding shares in electronic form

Affix Revenue Stamp

Signature.......................

No. of Shares

This form is to be used @ in favour/ @against the resolution. Unless otherwise instructed, the proxy will act as he thinks fit.

@ Strike out whichever is not desired.

NOTES: (i) The proxy form must be returned so as to reach the Registered Office of the Company 422, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai- 400 053 not less than FORTY-EIGHT HOURS before the time for holding the aforesaid meeting. (ii) Those members who have multiple folios with different joint holders may use copies of this Attendance Slip/Proxy form.

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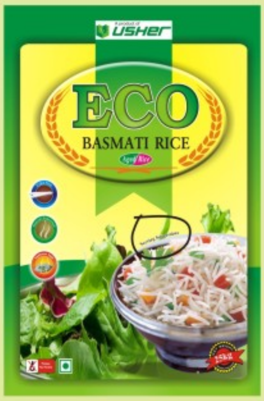

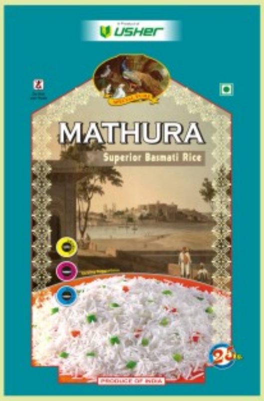

USHER®
AGRO LIMITED

Registered Office :
422, Laxmi Plaza, Laxmi Industrial Estate,
New Link Road, Andheri (W), Mumbai-400053
Phone : 022-39381100

Marketing Office :
405, Pearls Best Heights-II,
Netaji Subhash Place, New Delhi-110034
Phone : 011- 47043998, 32323998

Plant Location

Unit 1
239, Maholi, Krishna Nagar,
Off. Delhi - Agra Highway (NH-2),
Dist - Mathura - 281004, U.P.
Phone 0565-3205037, 2460421

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

Unit 3
Plot No. 1898, Chaubeji ki Chhavani,
Sikrol, Jalilpur Thana, Rajpur,
Dist - Rajpur, Buxar - 801104, Bihar
Phone : 06183-225846

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