



**USHER**<sup>®</sup>  
AGRO LIMITED



Regd Office : 422, Laxmi Plaza, Laxmi Ind. Estate, New Link Road, Andheri(W), Mumbai - 400053. Phone : 022-39381100 Fax : 022-39381123

May 30, 2018

To,

National Stock Exchange Limited Exchange Plaza, Plot No. C/1, G Block Bandra Kurla Complex, Bandra (E), Mumbai-400051 Ref: Symbol: USHERAGRO	Bombay Stock Exchange Limited 25 <sup>th</sup> floor, Pheroze Jeejeebhoy Tower, Dalal Street, Fort, Mumbai-400023 Ref: Scrip Code:532765
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Dear Sir/Madam,

**Subject:** Usher Agro Limited - Audited Financial Results for quarter and year ended 31st March, 2018

Please note that Corporate Insolvency Resolution Process ("CIRP") has been initiated in respect of Usher Agro Limited ("Corporate Debtor" or "The Company") under the provisions of Insolvency and Bankruptcy Code, 2016 (IBC) by an order of National Company Law Tribunal (NCLT) dated 21<sup>st</sup> March 2018.

As per section 17 of the IBC, 2016, the powers of the Board of Directors stands suspended and such powers shall be vested with me, Krishna Chamadia (IBBI registration number IBBI/IPA-001/IP-P00694/2017-18/11220) appointed as the Resolution Professional ("RP") with respect to the Company.

In pursuance of Regulation 33 (3) (d) of the SEBI (LODR), 2015, the listed entity shall be submitting annual audited standalone financial results for the financial year, within sixty days from the end of the financial year along with the audit report on Wednesday May 30, 2018. In this regard I would like to bring the following to your kind notice and consideration:

- (i) The said results for the year ended March 31, 2018 primarily pertain to a period before March 21, 2018 (i.e. insolvency commencement date) wherein the management of the company was responsible for the affairs and day to day functioning of the company. **The results have been approved by the RP solely on the basis of and on relying on the information and representations given by the management of the company.** The RP has approved the said financials only to the limited extent of discharging the powers of the board of directors of the Company which have been conferred upon him *inter alia* in terms of provisions of Section 17 of the IBC, 2016 and do not make any representations or issue any statements in relation to the financial statements are true, complete and accurate in all respects. The RP is in the process of verifying the existence of assets and liabilities of the company.
- (ii) In order to comply with Regulation 33 (3) (d) of the SEBI (LODR), 2015, the listed entity shall be submitting annual audited standalone financial results for the financial year, within sixty days from the end of the financial year along with the audit report on Wednesday May 30, 2018. It is to be noted that the Company has not updated its financial statements for FY 2017-18 in accordance with applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under (Ind-AS) for the period

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CIN: L01100MH1996PLC100380

Chatta I : 158, Gohari, Delhi-Agra Highway (NH-2), Chatta, District : Mathura (U.P.) Tel: 05662 - 242101, 326888 Fax: 05662 - 242043  
Chatta II : 632-634, Village Dautana, (NH-2) Delhi-Agra Highway, Teshil Chhata, District : Mathura - 281401 (UP) Tel: 08859888500  
Mathura : 239, Maholi, Krishna Nagar, Off. Delhi-Agra Highway (NH-2), Mathura - 281004, U.P. Tel: 08859008233, Fax: 565 - 2461068  
Buxar : Plot No. 1898, Chaubeji Ki Chavani, Sikrol, Jalipur, Thana Rajpur, District : Buxar (Bihar) - 801104 Tel: 06183 - 225846  
Delhi : 405, Pearl Best Height - II, Netaji Subhash Place, Pritampura, New Delhi - 110034. Tel: 011 - 47253336 / 27356093







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before initiation of the CIRP. Due to data limitations and incomplete accounting in the pre CIRP period, the financial statements could not be prepared in accordance with Ind-AS.

The financial statements for the FY 2017-18 has been prepared as per the previous generally accepted accounting principles in order to comply with Regulation 33 (3) (d) of the SEBI (LODR), 2015. Considering the limitations of work I kindly request you to provide us an extension of 2 months to ensure that the financials prepared as per Ind-AS can be submitted to you.

- (iii) Further, as per Regulation 33 (3) (d) of the SEBI (LODR), 2015, if the listed entity has subsidiaries, it shall, while submitting annual audited standalone financial results also submit annual audited consolidated financial results along with the audit report. It is to be noted that Resolution Professionals in his powers shall have control over management of the corporate debtor only and not on its subsidiary, associate or any other group companies. In order to comply with the regulation, I have made adequate efforts to seek financials for the subsidiary companies, which were not made available to me. Hence, only the standalone audited financial results are submitted with the stock exchange.

This is for your information and record. We will keep you posted on further developments (if any) in this regard.

**Krishna Chamadia**

IP Registration no IBBI/IPA-001/IP-P00694/2017-18/11220

Resolution Professional

Usher Agro Limited

(a Company under Corporate Insolvency Resolution Process by NCLT order dated March 21, 2018)



Enclosed:

1. Outcome of the meeting
2. Statement of standalone audited financial results for the quarter / year ended on March 31, 2018
3. Balance Sheet as at March 31, 2018
4. Independent Auditor's Report on Quarterly Standalone financial result and Year to date results of Usher Agro Limited

May 30, 2018

To,

BOMBAY STOCK EXCHANGE LIMITED, 25 <sup>th</sup> floor, Pheroze Jeejeebhoy Tower, Dalal Street, Fort, Mumbai-400023 Ref: Scrip Code:532765	NATIONAL STOCK EXCHANGE OF INDIA LIMITED, Exchange Plaza, Plot No. C/1, G Block Bandra Kurla Complex, Bandra (E), Mumbai-400051 Ref: Symbol: USHERAGRO
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Dear Sir/ Madam.

Sub: Standalone Audited Financial Results for quarter and year ended 31st March, 2018

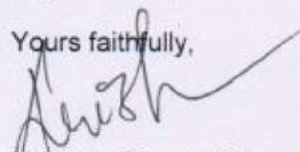
Please take note that, I, Krishna Chamadia, Resolution Professional have today considered the Standalone Audited Financial Results for the quarter and year ended 31st March, 2018.

In this connection, please find enclosed herewith a copy of the Standalone Audited Financial Results for the quarter and year ended 31st March, 2018 along with Auditor's report on Standalone financials as per Regulation 33 of SEBI (LODR) Regulations, 2015.

You are requested to take the same on your record and acknowledge the receipt of the same.

Thanking You,

Yours faithfully,



**Krishna Chamadia**

IP Registration no IBBI/IPA-001/IP-P00694/2017-18/11220

Resolution Professional

Usher Agro Limited

(a Company under Corporate Insolvency Resolution Process by NCLT order dated March 21, 2018)



**USHER AGRO LIMITED**

Registered Office: 212, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (W) Mumbai-53

Tel: 022-39381100, Fax : 022-39381123 (CIN- L01100MH1996PLC100380)

Email : cs.mumbai@usheragro.com Website: www.usheragro.com

**STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER/YEAR ENDED ON 31st MARCH, 2018**

(Rs. In Lacs except EPS)

Sr.No.	PARTICULARS	Quarter Ended			Year Ended	
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
I	<b>Income</b>					
	(a) Revenue from Operations	1,322.60	1,826.83	5,237.16	8,037.35	43,624.63
	(b) Other income	5.81	12.41	22.93	43.28	102.55
	<b>Total income</b>	<b>1,328.40</b>	<b>1,839.24</b>	<b>5,260.08</b>	<b>8,080.64</b>	<b>43,727.18</b>
II	<b>Expenses</b>					
	(a) Cost of materials consumed	1,034.72	1,706.91	6,116.29	7,599.80	58,933.89
	(b) Purchases of stock-in-trade	90.96	-	1,307.98	92.77	4,149.28
	(c) Changes in inventories of finished goods, work-in-progress & stock in trade	25.87	13.96	230.99	205.61	9,933.24
	(d) Excise duty	-	-	-	-	-
	(e) Employee benefits expense	0.80	62.80	219.83	231.96	733.59
	(f) Finance Costs	27,362.66	(213.43)	(4,456.64)	27,230.83	3,044.84
	(g) Depreciation and amortisation expense	451.28	951.54	780.71	3,323.01	3,457.33
	(h) Other expenses	78,435.65	250.68	860.06	79,225.36	5,221.96
	<b>Total expenses</b>	<b>1,07,401.95</b>	<b>2,772.46</b>	<b>5,059.22</b>	<b>1,17,909.35</b>	<b>85,474.13</b>
III	<b>Profit(Loss)Before exceptional and extraordinary items and tax (III - IV)</b>	<b>(1,06,073.54)</b>	<b>(933.21)</b>	<b>200.86</b>	<b>(1,09,828.72)</b>	<b>(41,746.95)</b>
VI	Exceptional Items	-	-	-	-	-
VII	<b>Profit (+)/Loss(-) before extraordinary items and tax (V - VI)</b>	<b>(1,06,073.54)</b>	<b>(933.21)</b>	<b>200.86</b>	<b>(1,09,828.72)</b>	<b>(41,746.95)</b>
VIII	Extraordinary items	-	-	-	-	-
IX	<b>Profit/(Loss) before tax (VII- VIII)</b>	<b>(1,06,073.54)</b>	<b>(933.21)</b>	<b>200.86</b>	<b>(1,09,828.72)</b>	<b>(41,746.95)</b>
X	<b>Tax Expenses</b>					
	(I) Current Tax	-	-	-	-	-
	(II) Deferred Tax	(221.39)	(305.23)	-	(988.59)	-
XI	<b>Profit (Loss) for the period from continuing Operations (IX - X)</b>	<b>(1,05,852.16)</b>	<b>(627.98)</b>	<b>200.86</b>	<b>(1,08,840.12)</b>	<b>(41,746.95)</b>
XII	Profit/(Loss) from Discontinuing Operation	-	-	-	-	-
XIII	Tax Expenses of Discontinuing Operation	-	-	-	-	-
XIV	<b>Profit/(Loss) from Discontinuing Operations ( after tax )(XI-XII)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
XV	<b>Profit/(Loss) for the period( X+XIII)</b>	<b>(1,05,852.16)</b>	<b>(627.98)</b>	<b>200.86</b>	<b>(1,08,840.12)</b>	<b>(41,746.95)</b>
XVI	Other Comprehensive Income net of taxes	-	-	-	-	-
XVII	<b>Total Comprehensive Income for the period (XIV+XV)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
XVIII	<b>Paid-up Equity Share Capital (Face Value of Rs. 10/- each)</b>	<b>7,767.15</b>	<b>7,767.15</b>	<b>7,767.15</b>	<b>7,767.15</b>	<b>7,767.15</b>
XIX	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				(1,42,638.14)	(33,798.02)
XX	<b>(i) Earning Per Share (before and after Extra Ordinary Items)</b>					
	- Basic	(136.28)	(0.81)	0.26	(140.13)	(53.75)
	- Diluted	(136.28)	(0.81)	0.04	(140.13)	(8.28)



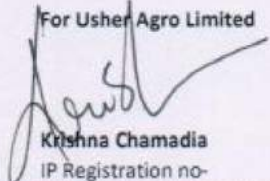



NOTES:	
1	<p>On 27th Decemer 2017, ICICI Bank Limited in its capacity of financial creditor had filed a petition under insolvency and Bankruptcy Code 2016 with National Company Law Tribunal (NCLT) against Usher Agro Limited. The case was admitted by NCLT and it had ordered for commencement of Corporate Insolvency Resolution Process (CIRP) with effect from March 21, 2018 and had appointed Mr. Krishna chamadia as Interim Resolution Professional for the company.</p> <p>Under the IBC proceedings, the power of the Board were suspended with effect from 21 March, 2018.</p> <p>The NCLT order also provided for a moratorium with effect from March 21, 2018 till the completion of the Corporate Insolvency Resolution process (CIRP) or until it approves the resolution plan under section 31(1) or passes an order for liquidation of the company under Section 33, whichever is earlier. Currently the company is under CIRP process.</p> <p>Pursuant to NCLT order on the company a public announcement was made on March 31, 2017 and a committee of creditors was formed under section 21 of the act. The Committee of Creditors held their first meeting on April 18, 2018 and approved appointment of interim Resolution Professional, Mr. Krishna Chamadia as the Resolution Professional.</p>
2	Under the current CIRP process, the resolution professional is in the process of inviting resolution plans, once a plan is submitted, it will be placed before CoC and thereafter to NCLT for approval. Currently, various initiatives have been taken to improve the continue and operations of the wheat division of company, increase its customer base, optimize plant utilization, improvising operational efficiencies, renegotiation of contracts and other cost control measures to improve the company's operating results and cash flows. Considering this the Financial statements of company are continued to be prepared on the going concern basis.
3	The financial results have been considered by the Resoluation Professional on 30 May, 2018 and the statutory auditors of the Company has carried out the audit of the above financial.
4	The financial results for the year ended March 31, 2018 primarily pertain to a period before March 21, 2018 (i.e. insolvency commencement date) wherein the management of the company was responsible for the affairs and day to day functioning of the company. The results have been approved by the RP solely on the basis of and on relying on the information and representations given by the management of the company. The RP has approved the said financials only to the limited extent of discharging the powers of the board of directors of the Company which have been conferred upon him inter alia in terms of provisions of Section 17 of the IBC, 2016 and do not make any representations or issue any statements in relation to the financial statements are true, complete and accurate in all respects. The RP is in the process of verifying the existence of assets and liabilities of the company.
5	As per Regulation 33 (3) (d) of the SEBI (LODR), 2015, if the listed entity has subsidiaries, it shall, while submitting annual audited standalone financial results also submit annual audited consolidated financial results along with the audit report. It is to be noted that Resolution Professionals in his powers shall have control over management of the corporate debtor only and not on its subsidiary, associate or any other group companies. In order to comply with the regulation, adequate efforts were made to seek financials for the subsidiary companies, however, these were not made available by the subsidiary companies. Hence, only the standalone audited financial results are submitted with the stock exchange.
6	Company has made provision on trade receivables of Rs. 65,415.12 lakh which in the opinion of management is not recoverable presently. Further, provisions also made on various advances given to suppliers/service providers including non-current investment.
7	<p>The Auditors in their report made following qualifications:</p> <p>(a) Standalone Financial Statements of the company are not prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended</p> <p>(b) The company has not appointed Internal Auditors as required by Section 138 of the Companies Act, 2013</p> <p>(c) Composition of Board of directors has fallen below the limit prescribed under section 149 of Companies Act, 2013 and regulation 17 of SEBI (LODR) Regulations, 2015 due to resignation of a women director on 28th October, 2017</p> <p>(d) Composition of Audit committee has fallen below the limits prescribed under section 177 of the Companies Act, 2017 and regulation 18 of SEBI (LODR) regulation, 2015 due to of a Woman Director on 28th October, 2017</p> <p>(e) Company Secretary of the Company has resigned from the company 7th October 2016, Company has not appointed full time Company Secretary required under section 203 (and Rule 8 and Rule 8A of companies' appointments &amp; remuneration of Managerial Personnel Rule 2014) of the Companies Act, 2013</p> <p>(f) The Company has not made provision for penal interest</p> <p>(g) The company has not made any provision in the books of accounts towards corporate guarantee</p>
8	<p>The managemnets response to the same is as below:</p> <p>(a) Company has not updated its financial statements for FY 2017-18 in accordance with applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under (Ind-AS) for the period before initiation of the CIRP. Due to data limitations, the financial statements could not be prepared in accordance with Ind-AS.</p> <p>The financial statements for the FY 2017-18 has been prepared as per the previous generally accepted accounting principles in order to comply with Regulation 33 (3) (d) of the SEBI (LODR), 2015.</p> <p>Point (b) to (g) - The Company is currently under CIRP process, these irregularities has been continuing before initiation of CIRP. Claims has been received from financial creditors and are currently under reconciliation.</p>
9	The Company operates in only one primary business segment i.e. food processing, which constitutes a single reportable segment in accordance with AS 17 "Segment Reporting"



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10	The company has incurred net losses during the quarter/year ended as well as in the previous year and its net worth is fully eroded. However, the financial statements of the Company have been prepared on a going concern basis as per comment given in para 2
11	The figures for the previous period / year have been regrouped wherever necessary to confirm to the current year's classification.
<div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="width: 40%;"> <p>Place: Mumbai Date: 30-05-2018</p> </div> <div style="width: 55%; text-align: right;"> <p>For Usher Agro Limited</p>  <p><b>Krishna Chamadia</b> IP Registration no- IBBI/IPA-001/IP-P00694/2017-18/11220 Resolution professional</p> </div> </div>	



USHER AGRO LIMITED			
BALANCE SHEET AS AT 31st MARCH, 2018			
(Rs. In Laacs)			
	Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>II</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Shareholder's Fund</b>		
<b>a</b>	Share Capital	7,767.15	7,767.15
<b>b</b>	Reserves and Surplus	(1,42,638.14)	(33,798.02)
		<b>(1,34,870.99)</b>	<b>(26,030.87)</b>
<b>2</b>	<b>Non-Current Liabilities</b>		
<b>a</b>	Long-Term Borrowings	9,688.29	14,658.29
<b>b</b>	Deferred Tax Liabilities (Net)	1,512.27	2,500.86
<b>c</b>	Other Long Term Liabilities	-	44.27
		<b>11,200.56</b>	<b>17,203.42</b>
<b>3</b>	<b>Current Liabilities</b>		
<b>a</b>	Short-Term Borrowings	88,778.73	91,075.30
<b>b</b>	Trade Payables	3,273.34	3,475.13
<b>c</b>	Other Current Liabilities	61,813.91	30,438.07
<b>d</b>	Short-Term Provisions	784.79	808.74
		<b>1,54,650.78</b>	<b>1,25,797.24</b>
	<b>TOTAL</b>	<b>30,980.34</b>	<b>1,16,969.79</b>
<b>I</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current Assets</b>		
<b>a</b>	Fixed assets		
i.	Tangible Assets	25,077.72	28,243.77
ii.	Capital Work-In-Progress	4,233.90	4,232.49
		<b>29,311.62</b>	<b>32,476.26</b>
<b>b</b>	Non-Current Investments	-	8,645.22
<b>c</b>	Long-Term Loans And Advances	623.21	1,032.67
		<b>623.21</b>	<b>9,677.89</b>
<b>2</b>	<b>Current Assets</b>		
<b>a</b>	Inventories	73.80	1,596.81
<b>b</b>	Trade Receivables	140.57	68,012.47
<b>c</b>	Cash and Cash Equivalents	277.20	86.82
<b>d</b>	Short-Term Loans And Advances	0.39	993.63
<b>e</b>	Other Current Assets	553.56	4,125.91
		<b>1,045.52</b>	<b>74,815.64</b>
	<b>TOTAL</b>	<b>30,980.34</b>	<b>1,16,969.79</b>
		For, Usher Agro Limited  <b>Krishna Chamadia</b> IP Registration no- IBBI/IPA-001/IP-P00694/2017-18/11220 Resolution professional	
Date: 30th May, 2018 Place : Mumbai			



# JAYESH SANGHRAJKA & CO.LLP

## CHARTERED ACCOUNTANTS

Independent Auditor's Report on Quarterly Standalone financial result and Year to Date results of Usher Agro Limited pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure requirement) regulations, 2015

To,  
Mr. Krishna Chamadia  
The Resolution Professional  
Usher Agro Limited  
IP Registration No. IBBI/IPA-001/IP-P00694/2017-18/11220

1. The Hon'ble National Company Law Tribunal, Mumbai ("NCLT") by an order dated 21<sup>st</sup> March 2018 admitted the Corporate Insolvency Resolution Process ("CIRP") application filed against Usher Agro Limited and appointed Mr. Krishna Chamadia as the Interim Resolution Professional in term of the Insolvency and Bankruptcy Code, 2016 ("Code") to manage the affairs of the Company as per the provisions of the Code. Further, the committee of creditors constituted during the CIR process has confirmed appointment of Mr Krishna Chamadia as the Resolution Professional ("RP") on 18<sup>th</sup> April 2018 for the Company. In view of on-going CIRP and suspension of powers of Board of Directors and as explained to us, the powers of adoption of this standalone financial results vests with the RP under the provisions of IBC 2016.
2. As per Section 134 of the Companies Act, 2013, the financial statements of a company are required to be authenticated by the chairperson of the board of directors, where authorised by the Board or at least two directors, of which one shall be the managing director or the CEO (being a director), the CFO and the Company Secretary where they are appointed. Under IBC 2016, such powers shall vest with Mr. Krishna Chamadia.
3. We have audited the accompanying statement of quarterly financial results of Usher Agro Limited, ("the Company"), for the quarter and year ended March 31, 2018 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulations). The financial results for the quarter and year ended March 31, 2018 have been prepared on the basis of the financial results for the nine month period ended Dec 31, 2017, the audited annual financial statements as at and for the year ended March 31, 2018, and the relevant requirements of the Regulations and the Circular, which are the responsibility of the Company's Management and have







# JAYESH SANGHRAJKA & CO. LLP

CHARTERED ACCOUNTANTS

been approved by the Resolution Professional (RP) of the Company. Our responsibility is to express an opinion on this quarter as well as year-end financial results based on our review of the financial results for the nine months period ended December 31, 2017; and our audit of the annual financial statement as at and for the year ended March 31, 2018; and the relevant requirements of the Regulations and the Circular.

4. We have conducted our audit in accordance with the Auditing Standard generally accepted in India. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that the audit evidence we have obtained, except with regard to matter set out below in paragraph 5 to 23, is sufficient and appropriate to provide a basis for our qualified audit opinion
5. *The company is required to adopt Indian Accounting Standards from FY 2017-18 as per the Companies (Indian Accounting Standards) Rules, 2015. However, Standalone Financial Statements of the company are not prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.*
6. *The company has not appointed Internal Auditors as required by Section 138 of the Companies Act, 2013.*
7. *The system of internal Financial control over financial reporting with regard to the company were not made available to us to enable us to determine if the company has established adequate internal financial control over financial reporting and whether such internal financial control were operating effectively.*
8. *Though CIPR has been initiated and power of the Board has been suspended, composition of Board of directors has fallen below the limit prescribed under section 149 of Companies Act, 2013 and regulation 17 of SEBI (LODR) Regulations, 2015 due to resignation of a women director on 28th October, 2017.*



**Batgach**  
& Affiliates

A Network Approved by ICAI

405-408, Hind Rajasthan Centre, D.S. Phalke Rd, Dadar (C. Rly.) Mumbai 400014, Maharashtra  
✉: jayesh@jsandco.in / ☎ : 40774600 (18 Lines) Website: www.jsandco.in/www.batgach.com  
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# JAYESH SANGHRAJKA & CO.LLP

CHARTERED ACCOUNTANTS

9. Though CIRP has been initiated and power of the Board has been suspended, composition of Audit committee has fallen below the limits prescribed under section 177 of the Companies Act, 2017 and regulation 18 of SEBI (LODR) regulation, 2015 due to of a Woman Director on 28th October, 2017.
10. Company Secretary of the Company has resigned from the company 7<sup>th</sup> October 2016, Company has not appointed full time Company Secretary required under section 203 (and Rule 8 and Rule 8A of companies' appointments & remuneration of Managerial Personnel Rule 2014) of the Companies Act, 2013.
11. The standalone financial statement indicates that the company has accumulated losses and its net worth is fully eroded. The Company has incurred net loss during the current year as well as previous years and Company's current liabilities exceeded its current assets as at the balance sheet date. However, the financial statements of the Company have been prepared on a going concern basis in spite of negative net-worth. The management informed to us that since the lenders have initiated CIR proceeding against the company on account of default in payment of their dues under the Insolvency and Bankruptcy Code, 2016 ("Code"), which was admitted by the The Hon'ble National Company Law Tribunal, Mumbai ("NCLT"), the Corporate insolvency resolution process shall be completed within a period of one hundred and eighty days from the date of admission of application to initiate such process which can be maximum extended for another ninety days, failing which, the company will be liquidated. As informed to us, the Resolution Professional is in the process of inviting resolution plans, once a plan is submitted; it will be placed before CoC and thereafter to NCLT for approval. Currently, various initiatives have been taken to improve the continue and operations of the wheat division of company and increase its customer base. Hence the Financial statements of the company are continued prepared on the going concern basis
12. The company in the nine month ended on 31/12/2017, had not made provision of Interest on Cash credit/Term loan including penal interest & processing fee amounting to INR 9,821.36 Lakh approx. (for period from 01.04.2017 to 31.12.2017) and INR 10,207.63 Lakh for the period from 13.05.2016 to 31.03.2017 in the view of invocation of Strategic Debt Restructuring' (SDR) by the lenders. Some of these lenders had also not charged the same. However considering that the company is currently into CIRP, the company has made the provision of the entire interest for the period from 13.05.2016 to 31.03.2018 in the 4<sup>th</sup> Quarter ended 31.03.2018, on the basis of simple rate of interest as mentioned



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& Affiliates

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405-408, Hind Rajasthan Centre, D.S. Phalke Rd, Dadar (C. Rly.), Mumbai 400014, Maharashtra  
✉: jayesh@jsandco.in / ☎ : 40774600 (18 Lines) Website: www.jsandco.in/www.batgach.com  
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*in Sanction Letter of these loans and not the actual amount as charged in the statement of these loans. The Company has not made provision for penal interest.*

13. *ICICI Bank Limited has given farmer finance loans of INR 25.00 crore to various parties on the basis of Corporate Guarantee given by the company. The bank has now invoked the said Corporate Guarantee. However, the company has not made any provision in the books of accounts.*
14. *Company has given corporate guarantees of INR 15610.10 Lakh for its subsidiary companies, namely Usher Eco Power Limited & Usher World Wide FZE, Sharjah, for loans taken from lenders. The normal business operations of the said companies have been discontinued. The liability of these corporate guarantees, if invoked by the lenders, has not been ascertained and the same is not provided for.*
15. *The Company has, on the basis of their internal evaluation, valued inventories at INR 73.80 Lakh. In the view of current CIR process and in absence of valuation report, we are unable to comment on the realisability of the Inventories.*
16. *In case of few trade receivables, name of their companies have been strike off by concerned ROC, few are under liquidation and few have either denied to provide confirmation or not responded the communication. On the basis of the said circumstances, company has made provision of Bad & Doubt Full debts of INR 65415.12 Lakh.*
17. *In Respect of the advances to supplier, in view of pending Confirmation/ Reconciliation from the supplier to whom advances was given and also uncertainty about subsequent realisation of such amount, Company had made provision (advances to supplier) of INR 3223.88 Lakh.*
18. *We have not received confirmations and bank statements for balances in current/credit facilities/FDR accounts amounting INR 448.19 Lakh as at March 31, 2018. In the absence of sufficient appropriate audit evidence, we are unable to determine any possible impact thereof on the loss for the year and on the balance of cash and cash equivalent.*
19. *In the view of pending Confirmations/ Reconciliation from the certain Banks, Lenders' liability, Trade payables, and other liabilities, we are unable to comment on the impact, if any, on the financial statement arising out of such pending confirmation / reconciliation.*

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20. The Company has made provision for gratuity and leave encashment for the year on estimated basis and not as per actuarial valuation. In the absence of actuarial valuation report, the impact on loss for the year on account of such valuation is not ascertainable and relevant disclosures have not been given. This is not in compliance with AS-15 Employee Benefits.
21. The Company has recoverable balance of INR 539.43 from the revenue authorities. In the absence of supporting evidence, we are unable to comment on the recoverability of the said amount.
22. Unpaid dividend of INR 2.24 Lakh for the year 2008-09 and interim dividend for the year 2010-11 not transferred to Investor Education and Protection Fund as per Rule 11 of the Companies (Audit & Auditor's) Rules, 2014.
23. The Company has not deposited statutory liabilities with Concerned Government authorities and failed to comply by filing necessary returns under various Acts before commencement of CIRP during the FY 2017-18'. It has also not provided for interest / penalty for such default.

## Qualified Opinion

24. In our opinion, except for the effects of the matters described in the Paragraph No. 5 to 23 above, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2018 and its loss for the year ended at that date.



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## Matter of Emphasis

25. Note No. 2 to the standalone Financial Statements, wherein it is stated that CIRP has been initiated in case of the Company vide an order of the Hon'ble National Company Law Tribunal, Mumbai ("NCLT") dated 21/03/2018 under the provisions of the Insolvency and Bankruptcy Code, 2016 ("Code"). Pursuant to the order, the management of the affairs of the Company and powers of board of directors of the Company are now vested with the RP, who is appointed by CoC. These standalone financial statements have been prepared by the management of the Company and considered by RP.
26. Standalone Financial Statement, as per the insolvency and bankruptcy code, 2016 ("insolvency code"), the RP has to receive, collect and admit all the claim submitted by the creditor (Operational and Financial), employee and workmen of the company. Such claim can be submitted to the RP during the CIRP, till the approval of a resolution plan by COC. The RP is in the process of receiving, collating, and verifying such claim and shall subsequently admit verified claims as per the insolvency code. Therefore, the impact of such claim, if any, which may arise subsequently, has not been considered in the preparation of the Standalone Financial statements.
27. Small Industries Development Bank of India (SIDBI) had serve notice for attachment of Office no 212 situated at Laxmi Plaza, Laxmi Industrial Estate, Andheri (West), Mumbai to the company on 13/02/2017 using power given under sub-section (4) of Section 13 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 54 of 2002 (the Act) read with rule 8 of the security interest (Enforcement) Rules, 2002 on this 13<sup>th</sup> day of February, 2017 for their outstanding dues of INR 564.67 Lakh at that time.
28. In view of invocation of Strategic Debt Restructuring' (SDR), the company has issued equity share to the Banks and Financial Institutions. Accordingly company had reduced respective credit facilities (Term Loan/working capital limits/unsecured loans etc.) of the respective banks and financial Institutions to the extent of SDR Amount, but we have not received confirmation from few of bank and Financial Institutions.

29. Company has made full provision against Investment made in subsidiaries i.e. Jash-Eco-Power Limited (UEPL), a subsidiary company, amounting to INR 2236.73 Lakh in equity shares and INR



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6374.50 Lakh in preference shares as lenders of (UEPL) has filed application before NCLT under Insolvency and Bankruptcy Code, 2016 ("Code") and also made full provision against the investment in Usher Word Wide FZE, UAE, a wholly owned subsidiary, amounting to INR 22.71 Lakh in equity shares and investment made in associate namely Usher Infra Logic Limited INR 11.28 Lakh as the normal business operations of the said companies have been discontinued.

30. Due to liquidity crunch being faced by the Company, plant at Chhata is completely shut down.

31. Kotak Mahindra Bank Limited vide letter dated 25<sup>th</sup> October, 2017 has classified company and its directors as wilful defaulter. Management is in the process of taking appropriate measures against the alleged order passed and confirmed by the Review Committee of Kotak Mahindra Bank declaring company and its directors as wilful defaulter.

Our opinion is not qualified in respect of the point no 25 to 31.

For Jayesh Sanghrajka & Co. LLP

Chartered Accountants

ICAI Firm Regd. No.: 104184W/W100075

*Savla*

CA Viraj Savla  
Designated Partner  
M. No.: 153525



Place: Mumbai

Date: 30<sup>th</sup> May, 2018

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