



USHER[®]
AGRO LIMITED

ISO 22000:2005



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07th October, 2016

To, National Stock Exchange of India Limited Exchange Plaza, C-1, Block -G, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	To, BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
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Subject: Clarification to emails dated. September 30, 2016 and October 05, 2016 respectively received from BSE and NSE under the subject “Winding up petition filed against Usher Agro Limited (**“the Company”**) in the Hon’ble Bombay High Court [Company Petition No. 376 of 2016, along with Company Application No. 338 of 2016] (**“Winding up Petition”**)

Dear Sir/ Madam,

This has reference to above referred emails seeking clarification on the letter under Ref. DEL/1662 dated. September 27, 2016 submitted to BSE and NSE by Cyril Amarchand Mangaldas, Advocates and Solicitors, on behalf CFSIT, Inc. (hereinafter referred to as **“CFSIT Letter”**).

At the outset, we wish to state that since the company has become listed on the Stock exchanges viz, BSE and NSE, the Company has always strived to maintain the highest standards of corporate governance by duly reporting and complying with the requirements of rules and regulations framed by SEBI. The company has never had lenient approach on the disclosure requirements, and has timely disclosed the events whenever occurred in pursuance of the Listing Agreement, SEBI (LODR) Regulations, 2015 etc. Howsoever, the Company has clarified and justified its point of view whenever it had not been in a position to comply with a specific requirement on account of some circumstances. Further, we seek your attention to the fact that the company has up to date duly complied with the requirements of the listing agreement



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CIN. L01100MH1996PLC100380

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and have no pending compliance towards the same. This in itself proves our bonafides of duly complying with the statutory requirements.

Without prejudice to whatever stated earlier and therein, we deal with aforesaid CFSIT Letter Para wise as follows:

1. With reference to unnumbered Para 1 on first page of CFSIT Letter under reference the content do not merit any comments.
2. With reference to unnumbered Para 2, 3, 4 & 5 on second page of CFSIT Letter we wish to state that a Winding up Petition has been filed by CFSIT, Inc. against the Company in the Hon'ble Bombay High Court U/s 433, 434 and 439 of the Companies Act, 1956, on May 05, 2016. Thereafter, in terms of the directions of the Company Registrar dated. August 02, 2016, intimation along with the copy of Winding up Petition was served on the Company, both by RPAD and by hand, on August 10, 2016. This fact has correctly been mentioned in Para 3 of CFSIT Letter. Therefore it is deemed to be noted that the Company first came to know about the Winding up petition on August 10, 2016 itself.

Thereafter, the Company's Board Meeting for adoption of Annual Accounts along with notes thereon for the FY ended on 31.03.2016 was scheduled to be held on August 13, 2016 ("**Board Meeting**"), that is to say, merely after three days from the date of receipt of Winding up Petition. Upon several rounds of discussions with the Statutory Auditor on implications of the Winding up Petition, the Statutory Auditor pointed out that the Company has not made any provision on the interest part. The Company explained that the amount of overdue interest is under discussion with CFSIT, Inc and hence the Company has not made any provision on the same. However, the Statutory Auditor mentioned to qualify his opinion to this fact in the Auditors Report for the FY 31.03.2016.

Accordingly, the Statutory Auditor proceeded to qualify its report on the following lines:

"Basis for Qualified Opinion

CFSIT Inc, USA has filed Winding-up Petition against the company for recovery of their outstanding Dues of Rs. 6,548.14 lakh (\$10 Million) with the interest @12% p.a. as per the advance payment and supply contract. An interest amount comes



to Rs. 336.08 lakh (\$0.507 Million) approx. for which the company has not made any provision in the financial statements.

Had the company made such Interest provision in the Statement of Profit and loss, the loss for the year would have been higher by Rs.336.08 lakh and the accumulated profit would have been lower by an equivalent amount."

The Board of Directors accordingly in their meeting held on August 13, 2016 had adopted the Auditors Report along with financial statements and notes thereon.

In view of the foregoing, it is submitted that though the company has inadvertently and with no malafide intention omitted to comply with the requirement of Regulation 30 of the SEBI (LODR) Regulations, 2015, the fact regarding the Winding up Petition was well captured in the Auditors Report in qualified opinion section. And a clarification on the same was submitted with Stock Exchanges on 13th August, 2016, in the Statement of Impact of Audit Qualifications, which is a part of Auditors Report dated August 13, 2016, immediately after the conclusion of the said Board Meeting.

Therefore, it is most humbly prayed that it should not be understood and construed that the Company has suppressed any facts; rather the company had discussed Winding up Petition at length with the Statutory Auditor and provided all the concerned information to the Statutory Auditor to form a qualified opinion. Therefore, it is further humbly prayed that the delay caused in intimation of Winding up Petition pursuant to Regulation 30 of the SEBI (LODR) Regulations, 2015 may please be condoned.

3. With reference to unnumbered Para 6 & 7 on second and third page of CFSIT Letter your kind attention is drawn to the following:
 - i) We wish to state that the Company has replied in extenso to the Notice of Default cum Demand Notice dated. November 18, 2015 sent by CFSIT Inc. In the reply, the company has referred to both the transactions entered into with CFSIT Inc. and has categorically stated its position and circumstances in view of which the Company was unable to discharge its liability.



- ii) Thereafter, CFSIT Inc. through its Advocates and Solicitors, M/s. Cyril Amarchand Mangaldas, posted a Notice U/s. 433(e) read with section 434 of the Companies Act, 1956 dated. February 29, 2016 received by us on March 01, 2016 (**"Winding up Notice"**), thereby demanding alleged amount of USD 10,000,000 (USD Ten Million) along with interest of USD 311,667/-.
 - iii) The Company's Advocates and Solicitors, M/s. Crawford Bayley & Co., replied to Winding up Notice on March 16, 2016 thereby requesting to provide the details of alleged interest of USD 311,667.
 - iv) Thereafter, M/s. Cyril Amarchand Mangaldas through their letter dated. April 01, 2016 received by us on April 02, 2016, provided the calculation of interest accrued on the alleged outstanding amount of USD 10,000,000 (USD Ten Million)
 - v) On April 04, 2016, M/s. Crawford Bayley & Co. replied to the above letter dated. April 01, 2016 stating that they have forwarded the letter dated. April 01, 2016 to the Company for evaluating the authenticity of the purported calculation of the alleged interest accrued on the alleged outstanding amount of USD 10,000,000/- (USD Ten Million).
 - vi) We further wish to state that thereafter the company did not had any communication with M/s. Cyril Amrachand Mangaldas and that letter dated. April 04, 2016 was the last communication on the alleged interest part. Therefore at the time of accounts finalization, the Company updated Statutory Auditors about the last communication and reposed this fact in the clarification given in the Statement of Impact of Audit Qualifications, which is a part of Auditors Report dated August 13, 2016.
4. We would further like to state that in pursuance of guidelines framed by the Reserve Bank of India, the Joint Lenders Forum (JLF) has been formed on 16.03.2016. The committee of JLF has invoked Strategic Debt Restructuring process (SDR) wherein corrective action plans as deemed appropriate for effective resolution have been explored. It has been considered to opt for restructuring the account



as a viable plan to get the business affairs of the company in sound condition.

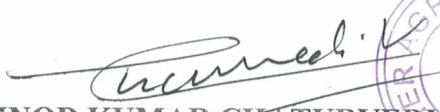
At all times, the company has briefed JLF members on the present operations of the company which has well been recorded in the minutes of the respective meetings of JLF held at various intervals.

In the JLF meeting held on August 31, 2016, JLF member decided that they will intervene the winding up petition filed against the Company. The above petitions are merely filed, but not admitted. Further the Company will take suitable legal action in consultation with its legal counsels and defend the same.

Thanking you.

Yours faithfully,

For **USHER AGRO LIMITED**


VINOD KUMAR CHATURVEDI
MANAGING DIRECTOR



CC to

1. **M/s. Securities and Exchange Board of India**
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2. **Ms. Anuradha Mukherjee, Partner**
M/s. Cyril Amarchand Mangaldas
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