

August 5th 2019

**RESERVE PRICE DOCUMENT
(ADDENDUM TO THE PROCESS MEMORANDUM)**

Issued by -

**Krishna Chamadia
Liquidator**

IBBI Reg. No: IBBI/IPA-001/IP-P00694/2017-18/11220
Usher Agro Limited
(a company under liquidation process vide NCLT order dated March 7, 2019)
212 Laxmi Plaza, Laxmi Industrial Estate, New Link Road,
Andheri West, Mumbai- 400053, Maharashtra, India
Email: krishnachamadia@gmail.com

Krishna Chamadia has been granted a certificate of registration to act as an Insolvency Professional by Insolvency and Bankruptcy Board of India, his Registration No. is IBBI Reg. No: IBBI/IPA-001/IP-P00694/2017-18/11220. The affairs, business and property of Usher Agro Limited ('UAL') are being managed by the Liquidator, Krishna Chamadia, who acts as agent of UAL only and without personal liability.

Issued to All Prospective Bidders

Terms and conditions, deadlines etc. for participating in the electronic auction are provided in the Process Memorandum. Process Memorandum is non-transferable.

Timelines, notifications, updates and other details for the e-auction process are available on the website of the company www.usheragro.com

Important Note

Kindly note that the bidders cannot place a bid for the block of assets at a value below the reserve price. The prospective bidders are requested to verify and satisfy with all the information necessary about the assets and its condition prior to placing their EMD / bid requests. All the bidders acknowledge and agree to all the terms and conditions mentioned in the Process Memorandum. All the assets can be verified at respective locations between 10 am to 6 pm on all days except Sundays. All documents related to the assets are available for inspection at Mathura Plant between 10 am to 6 pm on all days except Sundays.

Cognizance should be taken of the fact that the liquidator does not give any assurance or warranty of the physical condition of assets and their suitability for any sort of operation that the bidder envisages.

Clause 8 of the Process Memorandum issued on August 5, 2019

ASSETS TO BE AUCTIONED AND RESERVE PRICES

Asset	Block	Reserve Prices (INR cr.)	EMD as per % of Reserve Price	Note
Chhata – Unit 1	Block 1	40.50	5 %	Note -1
Chhata – Unit 2	Block 2	93.15	5 %	Note - 2
Mathura Unit	Block 3	9.00	5 %	Note – 3
Buxar Unit	Block 4	1.02	5 %	Note – 4
Vehicles	Sub-Block 1	Refer Note 5 for Reserve Price	100 %	Note – 5

Note - 1

Unit 1 of the Chhata plant was installed in 2008 with an installed rice capacity of ~4.86 lakh MT pa. The plant has machines from Satake and Zacaria and has been involved in production of raw, parboiled and steamed rice. The unit has been non-operational for more than 3 years

Note - 2

Unit 2 of the Chhata plant was installed in 2014 with an installed rice capacity of ~4.86 lakh MT pa. The plant has machines from Satake and has been involved in production of raw, parboiled, steamed and fortified rice. The unit has been non-operational for more than 3 years. The plant also has a Wheat division with an installed capacity of 0.50 MT pa, Pulses division of 1.06 MT pa and Silica plant of 5MT per day.

Note - 3

Mathura plant was installed in 2006 with an installed wheat capacity of ~0.75 lakh MT pa. Plant is currently operational and operating at 20-30% capacity and is operating mostly on job-work basis. The unit has been involved in production of Whole wheat flour, Maida, Daliya, Suji, Bran and has long term sale agreements with General Mills India and Mondelez India Foods.

Important information regarding the Mathura Plant – Land and Building

The Land Revenue Department of UP has marked a lien of approximately INR 3.5 crores on Mathura Factory Land. The liquidator shall make every possible efforts to get the lien marked on the Land of Mathura Plant cleared and hand over the land to the Successful Bidder free of this known encumbrance.

The factory premises of Usher Agro Limited (approx. 3.15 acres) is situated on a common plot of 2.128 hectare (approx. 5.26 acres). Usher Financials owns the balance 2.10 acres of land in this common plot as per records obtained from the Company. There is no boundary wall between the land owned by Usher Agro Limited and Usher Financial who share common premises.

The liquidator or Usher Agro Limited shall in no way be responsible to incur any costs towards construction of boundary wall. The bidders may independently get the land markings updated with the City Survey office at Mathura to ensure that there is no dispute with Usher Financials at subsequent stage. The bidders' acknowledges that they are fully aware of these facts.

The bidders acknowledge that under this proposed auction, Block 3 of Mathura unit covers only Land & Building and Plant & Machinery of the Mathura Plant on as is where is basis. The liquidator reserves the right to first liquidate the stock in hand and realise the book debts outstanding as on the date of hand over of the plant to the Successful bidder. Further, any other current assets like scrap, packing material, stores, spares, consumables etc pertaining to the Mathura Unit shall be utilised / disposed-off by the Liquidator in the manner as he may deem fit. Further, there are certain rice machines of Zakaria which are lying loose in factory premises of Mathura Plant. These block of machines do not form part of Mathura Plant auction and shall be dealt separately.

Considering that the land at Mathura plant is currently encumbered, the liquidator shall make following arrangements with the Successful bidder in the interest of preserving the value of asset and maximise the interest of all stakeholders:

- The Successful bidder shall pay 45% of amount at which the bid is concluded within the time lines prescribed in the table below:

Payments Date	% of the 45% of the Bid Amount	For e.g., say the Bid Amount is Rs 10 crores
T (E-auction Date)	5% of Reserve Price	5% of Rs 9 crores i.e. Rs 45,00,000
T + 15 days	25%	25% x 45% of Rs.10 crores i.e. Rs 1,12,50,000
T+ 30 days	25%	25% x 45% of Rs.10 cores i.e. Rs 1,12,50,000
T + 45 days	Balance amount of 45% of the Bid Amount (i.e. 45% of the Bid Amount less EMD of reserve price less tranches paid on 15 th and 30 th day as provided above)	45% of Rs.10 crores minus payments already received i.e. Rs 1,80,00,000

- On receipt of 45% of the amount, the Liquidator shall enter into a "Management Control Model or Right to use model" as the case may be, with the Successful bidder. Under this model, the liquidator shall transfer the management control or give Right to use the plant to the Successful Bidder. The Successful bidder shall manage the operations of the plant in its own name and Usher Agro Limited will cease to operate the plant. While the ownership of the land & building and plant & machinery would remain with Usher Agro Limited, all liabilities that shall accrue and arise from the transfer date shall that be of the Successful Bidder.
- On liquidator confirming to Successful Bidder that the Mathura Land is free of encumbrance from Land Revenue Authority, the Successful Bidder shall make the balance payment within one month of the date of confirmation and the ownership of the asset would transfer to the Successful Bidder
- In any unlikely event that the Land cannot be transferred in the name of Successful Bidder within one year from the date of E-auction, the liquidator shall return the amount received from the Successful Bidder within 15 working days without any interest. On receipt of the said amount, the Successful Bidder shall vacate the premises and the Liquidator shall take control of the operations again.
- The Successful bidder undertakes to maintain the assets of the Mathura Plant during the period when plant is under his control and shall make all possible efforts to preserve its value. The successful bidder undertakes to make payments of electricity, water, security, utilities, insurance and all other liabilities which shall be billed in name of Usher Agro Limited. The Successful bidder shall obtain all necessary licenses required to run the plant.
- The Successful bidder undertakes that he would not sub-lease the Mathura Plant or transfer its right to any third party.

Note - 4

Buxar plant was installed in 2003 with an installed rice capacity of ~0.51 lakh MT pa. In 2014, the capacity was further increased up to 0.99 MT pa. The unit is situated in Mouza Jallilpur, Chausa Block spread across 2.05 acres. The unit has been non-operational for more than 3 years

Note - 5

Vehicles – The prospective bidders are requested to verify and satisfy with all the information necessary about the vehicles and its condition prior to placing their EMD / bid requests.

Sr No	Location	Purchase Date	Vehicle Particulars	Registration Number	Reserve Price
1	Mathura	31/05/14	Maruti Swift Car	HR-30 M-5633	2,55,000
2.1	Mathura	08/03/10	Hero Honda Passion	UP-85-M-7277	10,500
2.2	Mathura	01/04/13	Hero CD Delux	UP-86 AH-7916	5,000
2.3	Mathura	29/07/15	Hero Honda Splender	UP-85 AS-8606	16,500
3	Mathura	10/04/08	Ford Fiesta Car	UP-85-S-1096	67,500
4	Mathura	13/11/09	Tractor Trolley	NA	1,00,000