

**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

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*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](http://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 July 30, 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	45.00	5	Note -1
Chhata – Unit 2	Block 2	103.50	5	Note - 2
Mathura Unit	Block 3	9.90	5	Note – 3
Buxar Unit	Block 4	1.125	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**

Recently, after initiation of the Liquidation Proceedings, Liquidator was made aware of the fact that the Land Revenue Department of UP has marked a lien on Mathura Land of approximately INR 3.5 crores. Further, a portion of factory building is on the land which is not owned by Usher Agro Limited. Also, there is no boundary between the land of Usher Agro Limited and the other owner who share common premises. Considering that the sale is being made on as-is where-is basis, the liquidator wants to make complete disclosure to the proposed bidder before the bid for the assets of this plant.

The liquidator or Usher Agro shall in no way be responsible to incur any costs towards boundary wall or incur on any costs for bringing the factory building within the land limits of Usher Agro Limited. The bidders' acknowledges that he is fully aware of these facts.

The liquidator shall make possible efforts to get the lien marked on the Land of Mathura Plant cleared and to hand over the land to the Successful Bidder free of this known encumbrance.

**The bidders acknowledge that under this proposed auction, Block 3 of Mathura unit covers only Land & Building and Plant & Machinery at 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.

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
<b>T (E-auction Date)</b>	5% of Reserve Price	5% of Rs 9.9 crores i.e. Rs 49,50,000
<b>T + 15 days</b>	25%	25% x 45% of Rs.10 crores i.e. Rs 1,12,50,000
<b>T+ 30 days</b>	25%	25% x 45% of Rs.10 cores i.e. Rs 1,12,50,000
<b>T + 45 days</b>	Balance of 45% of the Bid Amount less EMD of reserve price	45% of Rs.10 crores minus payments already received i.e. Rs 1,75,50,000

- On receipt of 45% of the amount, the Liquidator shall enter into a “Management Control Model” with the Successful bidder. Under this model, the liquidator shall transfer the management control to Successful Bidder whereby 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, all liabilities from the transfer date shall 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 (55% of the Successful Bid Price) within one month of the date of such 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 45% of the amount so received by 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 however undertakes to maintain the assets of the Mathura Plant during this period, make possible efforts to preserve its value, keep the insurance for the plant updated and would not sub-lease it 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
1.1	Mathura	08/03/10	Hero Honda Passion	UP-85-M-7277	10,500
1.2	Mathura	01/04/13	Hero CD Delux	UP-86 AH-7916	5,000
1.3	Mathura	29/07/15	Hero Honda Splender	UP-85 AS-8606	16,500
2	Mathura	10/04/08	Ford Fiesta Car	UP-85-S-1096	67,500
3	Mathura	31/05/14	Maruti Swift Car	HR-30 M-5633	2,70,000