



F.NSE/QPA/8889
3rd October, 2016

Listing Department
National Stock Exchange of India Ltd.
'Exchange Plaza'
Bandra Kurla Complex,
Bandra (East)
Mumbai – 400 051.

Fax No. 26598237/38, 26598347/48

Ref: Scrip Code- ARIES

Sub: Annual Report- 2015-16

Dear Sir,

As required by Regulation 34 of the SEBI (LODR) Regulations, 2015, attached please find the soft copy of the Annual Report-2015-16.

Please note that Annual General Meeting of the Company was held on 30th September, 2016.

Kindly take the same on your records.

Thanking You,

Yours faithfully,
For **ARIES AGRO LIMITED**


KAISER P. ANSARI
COMPANY SECRETARY & COMPLIANCE OFFICER



Encl: a/a

 **aries** agro limited

46th

**ANNUAL REPORT
2015-16**



• BOARD OF DIRECTORS •



Prof. R. S. S. Mani
Independent Director

Dr. Rahul Mirchandani
Executive Director

Dr. Jimmy Mirchandani
Chairman & Managing Director

Mrs. Nitya Mirchandani
Director

Mr. C. B. Chhaya
Independent Director

Mr. B. V. Dholakia
Independent Director



Launch of 'Aries 2020' campaign On 20th April 2016. Aries launched It's biggest ever campaign of the company till date which is spread across 4 years named 'Aries 2020'. The campaign will conclude in year 2020' the same year in which company shall celebrate its Golden Jubilee. The official event launch was at Bombay Stock Exchange with first ever biggest Flash Sale in Agri industry in which over 900 customers across India participated and gave a record breaking booking of Aries products worth 201.78 crores within an hour.



Planning Meeting with Andhra Pradesh team at ISB, Hyderabad



Aries Factory Staff and Workers at Mumbai



Felicitation of Aries Southern Team at Bengaluru



Planning Meeting with Jammu & Kashmir, Himachal Pradesh, Uttar Pradesh, Punjab & Bihar Teams at Delhi



Aries Andhra Pradesh Marketing Agency Team at Hyderabad Factory



Tracemin Product Launch in Ahmedabad



All India Strategy Meet, Daman



Planning Meeting with Maharashtra & Nipani Teams at Mumbai



Half Yearly Review Meet, Nagpur



Family Day at Aries Corporate Office, Mumbai



Andhra and Telangana State Teams attending Aries Futura Training Session at Vijayawada



Balance Sheet as at March 31, 2016
Statement of Profit & Loss for the year ended March 31, 2016 with **Board's Report**

46th Annual Report
2015 - 2016

BOARD OF DIRECTORS

Dr. Jimmy Mirchandani
Chairman & Managing Director

Dr. Rahul Mirchandani
Executive Director

Prof. R. S. S. Mani, Independent Director

Mr. C. B. Chhaya, Independent Director

Mr. B. V. Dholakia, Independent Director

Mrs. Nitya Mirchandani, Non-Independent / Non-Executive Director

AUDIT COMMITTEE

Prof. R. S. S. Mani, Chairman (Upto 31.03.2016)

Dr. Rahul Mirchandani

Mr. B. V. Dholakia, Chairman (w.e.f. 01.04.2016)

STAKEHOLDERS RELATIONSHIP COMMITTEE

Prof. R. S. S. Mani, Chairman (Upto 31.03.2016)

Mr. C. B. Chhaya, Chairman (w.e.f. 01.04.2016)

Dr. Jimmy Mirchandani

Dr. Rahul Mirchandani

NOMINATION & REMUNERATION COMMITTEE

Prof. R. S. S. Mani, Chairman (Upto 31.03.2016)

Mr. C. B. Chhaya, Chairman (w.e.f. 01.04.2016)

Mr. B. V. Dholakia

TREASURY COMMITTEE

Dr. Jimmy Mirchandani, Chairman

Dr. Rahul Mirchandani

Mr. C. B. Chhaya

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Dr. Jimmy Mirchandani, Chairman

Dr. Rahul Mirchandani

Mr. B. V. Dholakia

CHIEF FINANCIAL OFFICER

Mr. S. Ramamurthy

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Qaiser P. Ansari

STATUTORY AUDITOR

Kirti D. Shah and Associates

INTERNAL AUDITOR

Kirit Manek & Co.

COST AUDITOR

R. Nanabhoy & Co.

SECRETARIAL AUDITOR

Mr. A. Sekar

BANKERS

AXIS Bank Ltd.

Canara Bank

HDFC Bank Limited

ICICI Bank Ltd.

BRANCHES/STOCK LOCATIONS

Ahmedabad, Gujarat

Bangalore, Karnataka

Bellary, Karnataka

Bhubaneswar, Orissa

Coimbatore, Tamil Nadu

Ghaziabad, Uttar Pradesh

Guwahati, Assam

Hissar, Haryana

Hyderabad, Telangana

Indore, Madhya Pradesh

Jaipur, Rajasthan

Jalandhar, Punjab

Kolkata, West Bengal

Lucknow, Uttar Pradesh

Nagpur, Maharashtra

Nashik, Maharashtra

Nipani, Karnataka

Patna, Bihar

Raipur, Chhatisgarh

Ranchi, Jharkhand,

Rudrapur, Uttaranchal

Siliguri, West Bengal

Solapur, Maharashtra

Sriganganagar, Rajasthan

Vijayawada, Andhra Pradesh

MANUFACTURING LOCATIONS

Mumbai

Hyderabad

Chhatral

Lucknow

Sharjah, UAE(Subsidiary Company)

Fujairah, UAE(Subsidiary Company)

Registered Office: Aries House, Plot No. 24, Deonar, Govandi (East), Mumbai-400 043, Web Site: www.ariesagro.com

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Financial Highlights - Standalone

(Rupees in Lakhs)

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Revenue from Operations	22,937.93	23,411.19	23,286.50	18,675.88	19,162.38
Total Income	23,080.52	23,563.47	23,512.73	18,999.06	19,694.10
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	3,273.42	3,820.50	4,264.70	3,428.95	3,781.42
EBITDA %	14.27	16.32	18.31	18.36	19.73
Profit Before Depreciation and Tax	1,214.50	1,690.85	1,987.93	1,588.21	1,838.88
Profit Before Depreciation and Tax %	5.29	7.22	8.54	8.50	9.60
Profit Before Tax (PBT)	1,038.87	1,509.13	1,840.97	1,403.44	1,650.24
PBT %	4.53	6.45	7.91	7.51	8.61
Profit for the Year	639.16	1,181.28	1,153.03	934.13	1,044.61
Equity Dividend %	15.00	20.00	20.00	15.00	15.00
Dividend Payout	0.30	0.21	0.22	0.20	0.18
Equity Share Capital	1,300.43	1,300.43	1,300.43	1,300.43	1,300.43
Reserves & Surplus	12,617.13	12,212.75	12,029.36	11,180.62	10,474.71
Net Worth	13,917.57	13,513.19	13,329.79	12,481.05	11,775.14
Gross Fixed Assets	5,414.16	4,902.41	4,779.06	4,875.42	4,109.51
Net Fixed Assets	2,577.40	2,109.58	3,489.32	3,694.48	2,972.54
Total Assets	31,447.41	30,435.63	32,266.38	33,707.37	30,931.68
Market Capitalisation	11,716.91	13,745.59	7,425.48	5,858.45	9,915.81
Number of Employees	748	753	785	748	765

Key Indicators - Standalone

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Earnings Per Share - Rs. (Excluding Exceptional Items)	5.08	9.34	9.12	7.47	8.45
Turnover Per Share - Rs.	176.39	180.03	179.07	143.61	147.35
Book Value Per Share - Rs.	107.02	103.91	102.50	95.98	90.55
Debt : Equity Ratio*	0.88	0.85	0.99	1.19	1.05
EBITDA / Gross Turnover %	13.95	15.98	17.95	18.07	19.45
Net Profit Margin %	2.79	5.05	4.95	5.00	5.45
RONW % *	4.59	8.74	8.65	7.48	8.87
ROCE %	11.68	14.36	15.18	11.61	14.74
Inventory Turnover (in days)	158	155	156.00	200.00	196.00
Debtors Turnover (in days)	154	152	149.00	161.00	131.00
Current Ratio	1.63	1.67	1.64	1.46	1.45
Price Earning Ratio	17.73	11.32	6.26	6.03	9.03
Market Vale per Share	90.10	105.70	57.10	45.05	76.25

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Members,

It is with great pleasure that I present to you the 46th Annual Report of your Company, Aries Agro Limited.

During the year under review 2015-16, the agricultural input sector was adversely affected by deficient monsoon across the entire country and flood situation in few areas. Out of the 36 Meteorological subdivisions, 18 have seen deficient rains for two consecutive years. Back to back crop failures worsened the distress in the agricultural input sector leading to lack of adequate demand in both Kharif and Rabi season. Most of the industry therefore was forced to hold high levels of inventory since stocks were prepared in anticipation of a normal season. Moreover, the fall in purchasing power and cash flow at the farm level also caused pressure on recovery of market outstandings during the entire year. The highly seasonal nature of the industry showed its impact during the year under review and also placed pressure on margins since companies were forced to lower margins to capture market and maintain market share. Despite these efforts, the Company's revenue remained almost flat.

The total capacity utilization currently stands at 49% of the total installed capacity of 84,600 MT p.a. in India. Our international manufacturing facilities at UAE have also maintained the capacity utilization of 36% of the total installed capacity overseas.

The year 2015-16 was characterized by heavily pressured cost structure. Though material cost remained stable, there was an increase in finance cost and fixed cost of the employee benefits remained unchanged.

Another cause of concern was the loss on account of foreign currency exchange rate fluctuations. Also during the second half of the year, the classification of certain products being imported by the Company under customs was changed resulting in higher levies which forced the company to produce the same locally. In order to cater to the market, production was restarted of some brands at the Hyderabad manufacturing unit. This partially overcame the foreign exchange fluctuation loss in the final few months.

International sales have commenced in Australia, Brazil, Ecuador, New Zealand, Pakistan, Spain, Singapore, Sri Lanka, Taiwan, Trinidad, United Kingdom, United States of America, Vietnam, and Zambia, with supplies from Indian and UAE factories. Distributors have been appointed in Brazil, Cambodia, Ecuador, New Zealand, Sri Lanka and Vietnam, and we expect export and global sales to grow and form around 15% of the group revenues of the Company by Financial Year 2016-17.

For eleven consecutive years Aries Quality Management System was audited and certified as NS-EN ISO 9001:2008 with zero non-compliance report showing complete adherence to international quality standards.

Aries continues its tradition of carrying out a range of activities that spread knowledge and adoption of farming best practices in the markets that Aries functions in.

The Company undertook several activities focused specifically on supporting school aged girls across India. We supplied benches for classrooms and water purification systems, distributed beds and pillows for tribal students and supported the physically handicapped students.

The Company's Call Centre based in Vijayawada continued to provide answers to farmers' queries and provided direct interaction with consumers. During the year under review, 3578 number of farmers called the call center at Vijayawada with queries on integrated nutrient management, pest management, soil health and post harvest management.

During the year under review, 5889 knowledge dissemination activities including farmers meetings were undertaken impacting 68008 numbers of farmers. These sessions were conducted by team of 58 extension officials spread across 20 states.

The Company has organized during the year soil testing camps in North Karnataka, Andhra Pradesh and Telangana using Mobile Soil Testing Kits. Approximately 1959 Soil Health Cards were issued to farmers providing an additional service in order that they understand the specific nutrient needs of their farms.

Aries also participated in the Swach Bharat Mission at the Child and Police Project School, Guntur and Constructed toilets for women and kids under the Women & Kid Toilet Project.

2016 monsoons are expected to be above normal and the Company is hopeful that there will be good growth in revenues and consequent profits during the current FY 2016-17. In order to secure a confirmed order book, the Company (for the first time in agri business in India) conducted All India Flash Sale and Booking Bazaar on 19th and 20th April, 2016 at the Bombay Stock Exchange, Convention Hall, Mumbai. Record breaking orders with payment instruments were collected totaling to Rs. 201.78 Crores within a 30 minute Flash Sale period. This will ensure that the Company is able to plan inventories and production as well as timely supplies to more than 400 dealers who participated in this unique one of its kind booking bazaar. In the past, the Company has conducted similar flash sales on the state level and the average conversion of bookings to orders was approximately 75% to 80%. Assuming similar conversion on all India basis, this booking bazaar will result in definite increase in sales during the first half of the Financial Year. The Company is also increasing focus on non rain dependant activities including sales to aquaculture farmers, plantations and perennial crops in irrigated districts of the country.

The Company will introduce two new products namely K-phonic and Mobomin during the current Financial Year. However, it will also focus on growing sales of the new products launched towards the end of 2015-16 namely Arisil, Calcomag and Calpro.

Through its products and passion, Aries continually demonstrates that it is a responsible corporate citizen, working hard to retain the delicate balance of nature and the development of communities where it works and grows.

Sincerely,

Dr Jimmy Mirchandani
Chairman & Managing Director

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Forty Sixth Annual General Meeting of the Members of ARIES AGRO LIMITED will be held on Friday, the 30th September, 2016 at 10.00 a.m. at The Chembur Gymkhana, 16th Road, Chembur, Mumbai-400 071, to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider, approve and adopt:
 - a. the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2016, together with the Reports of the Board of Directors and the Auditors thereon.
 - b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2016, together with the Report of the Auditors thereon.
2. To declare Dividend for the Financial Year ended 31st March, 2016.
3. To appoint a Director in place of Dr. Rahul Mirchandani (DIN 00239057) who retires by rotation and being eligible offers himself for re-appointment.
4. **Ratification of Appointment of Auditors for the Financial Year 2016-2017.**

To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. Kirti D. Shah & Associates, Chartered Accountants, Mumbai, (Membership No. 32371 and having Peer Review Certificate issued by the Institute of Chartered Accountants of India), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Forty Seventh AGM of the Company to be held in the year 2017, at such Remuneration plus Service Tax, Out-of-Pocket, Travelling Expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

5. **Ratification of the Remuneration of the Cost Auditor in terms of Section 148 of the Companies Act, 2013 read with Companies(Audit and Auditors) Rules, 2014.**

To consider and, if thought fit, to pass with or without modification/s, the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 2,10,000/-(Rupees Two Lakhs Ten Thousands Only) plus Service Tax and reimbursement of Out of Pocket Expenses at actual as approved by the Board of Directors of the Company payable to Ms. R. Nanabhoy & Co., Cost Accountants, having

firm's registration No. 000010for conducting the Cost Audit of the records maintained by the Company for the financial year ending 31st March, 2017, be and is hereby ratified."

By Order of the Board

Qaiser P. Ansari
Company Secretary
Membership No. ACS-8979

Place: Mumbai
 Date: 11th August, 2016

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE LODGED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING. BLANK PROXY FORM IS ENCLOSED.

Pursuant to the provision of Section 105 of the Companies Act, 2013 a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. Corporate Members intending to send their Authorised Representatives to attend the Meeting are requested to send to the Company a Certified Copy of the Board Resolution authorizing their Representative to attend and Vote on their behalf at the Meeting before three days of the date of the meeting.
4. Members/ Proxies should bring the attendance slip duly filled in for attending the meeting. The Identity/Signature of the Members holding shares in Electronic/Demat form is liable for verification with Specimen Signatures as may be furnished by NSDL/CDSL to the Company. Such Members are advised to bring the relevant Identity Card issued by the Depository Participant to the Annual General Meeting.
5. The relative Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business is annexed hereto.
6. All the documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on all days, except Saturdays, Sundays and holidays until the date of the Annual General Meeting or any adjournment thereof.
7. Members desirous of getting any information about the accounts and operations of the Company are requested to write their queries to the Company at least seven days in advance of the meeting so that the information required can be made readily available at the meeting.

8. Individual shareholders can now take the facility of nomination. The nominee shall be the person in whom all rights of transfer and/or amount payable in respect of shares shall vest in the event of the death of the shareholder(s). A minor can be a nominee provided the name of the guardian is given in the Nomination Form. Members who are interested in availing the nomination facility are requested to write to the Company.
9. The Register of Members and Share Transfer Books of the Company will be closed from Saturday, 17th September, 2016 to Friday, 30th September, 2016 (both days inclusive) for determining the names of members eligible for Dividend on Equity Shares, if declared at the Meeting as recommended by the Board of Directors. On such declaration of Dividend at the forthcoming Annual General Meeting, such Dividend will be paid on 26th October, 2016 to those members whose names appear on the Register of Members on 16th September, 2016 after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 9th September, 2016. In respect of shares held through the depositories, Dividend will be paid on the aforesaid date to the beneficial owners of shares whose names appear at the close of business hours on 16th September, 2016 as per details furnished by the depositories for this purpose.
10. Members are requested to avail the facility of remittance of Dividend through the National Electronic Clearing Systems (NECS). The NECS facility is available at locations identified by the Reserve Bank of India from time to time. Members holding shares in physical form and desirous of availing this facility are requested to immediately write to the Company's Registrars and Transfer Agents with changes in their bank account/account numbers, if any, along with a photocopy of a blank cheque pertaining to the concerned account.
11. Beneficial Owners holding shares in Electronic/ Demat form are requested to notify any change in their Addresses, Bank Account, Mandate, etc. to their respective Depository Participant. ECS Mandates has to be sent to the concerned Depository Participant directly.
12. Members holding shares in physical form are requested to notify any change in their Address, Bank Accounts etc. to the Registrar and Transfer Agent of the Company M/s Aarathi Consultants Private Limited.
13. The Securities and Exchange Board of India (SEBI) has made it mandatory to print the Bank Details of the Investors on the physical payment instruments, if any payment is made to Investors by physical payment instrument. Members holding shares in physical form are requested to immediately submit their Bank Details to the Company/Registrars and Transfer Agents, M/s Aarathi Consultants Private Limited.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number(PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrars and Transfer Agents, M/s Aarathi Consultants Private Limited.
15. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
16. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
17. Non-Resident Indian Members are requested to inform Registrars and Transfer Agents M/S Aarathi Consultants Private Limited, immediately of:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their Bank Account maintained in India with complete Name, Branch, Account Type, Account Number and address of the Bank with Pin Code Number, if not furnished earlier.
18. The Company has submitted with the MCA the List of Un-Paid Dividends and the IPO Application Money Refund as on the date of the last AGM i.e. and the same is also displayed in the Investor Relations Section on our web-site at www.ariesagro.com.
19. In compliance with Sections 205A and 205C of the Companies Act, 1956, unclaimed Interim Dividend for the year ended 31st March, 2008 has been transferred to the 'Investor Education and Protection Fund' (IEPF) established by the Central Government. Unclaimed Dividends for all the subsequent years will be transferred to the IEPF according to the statutory stipulations. Members are requested to contact the Company's Registrar & Share Transfer Agents, in respect of their outstanding dividends for the succeeding years.
20. In accordance with the Companies Act, 2013 read with the Rules, the Annual Reports are sent by electronic mode to those members whose shareholding is in dematerialised format and whose email ids are registered with the Depository for communication purposes. The members holding shares in physical form and who have not registered their email ID are requested to register their email ID addresses with M/S Aarathi Consultants Private Limited the Company's Registrars and Transfer Agents.
21. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with M/S Aarathi Consultants Private Limited / Depositories.

22. Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting are given below:

Particulars required	Information
Name of the Director	Dr. Rahul Mirchandani
Date of Birth	12 th August, 1975
Date of Appointment	2 nd February, 1994
Expertise in specific functional areas	As Executive Director, he oversees various functions of the Company namely Marketing, Brand Promotion and New Product Development etc.
Qualifications	B.Com, CFA, MBA, Ph. D(Management Studies) from NMIMS.
Chairman/Member of the Committees of the Board of Directors of the Company.	Member of the Audit Committee, Stake Holders Relationship Committee, Treasury Committee & CSR Committee.
Directorship in other Companies	Sreeni Agro Chemicals Ltd. Aries East-West Nutrients Pvt. Ltd. Blossoms International Ltd. Aries Marketing Ltd. Aries Agro Care Pvt. Ltd. Aries Agro Equipments Pvt. Ltd. Aries Agro Produce Private Limited Golden Harvest Middle East FZC
Membership of Audit Committee of other Public Limited Companies	NIL
Membership of any other Committee of other Public Limited Companies.	NIL

23. The Registrar and Share Transfer Agent of the Company (RTA).

AARTHI CONSULTANTS PRIVATE LIMITED

1-2-285, Domalguda, Hyderabad – 500 029, Telangana, India\

Tel : +91-40-27634445 / 27642217, Fax: +91-40-27632184

E-mail: aries@arthiconsultants.com

Website: www.arthiconsultants.com

24. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 46th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL).

The instructions for members for voting electronically are as under:-

- (i) The voting period begins on Sunday, 25th September, 2016 at 10.00 a.m. and ends on Thursday, 29th September, 2016 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-Off date Friday, 16th September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the Meeting date would not be entitled to vote at the Meeting Venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
- (iv) Click on "Shareholders" tab.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number(Available in the Address label pasted in the cover and/or in the e-mail sent to the members) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details Or Date of Birth(DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the Depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the Company <ARIES AGRO LIMITED> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on,

click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non-Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com. The Name, Designation, Address, email ID and Phone Numbers of the person responsible to address the grievances connected with facility for voting by electronic means is as follows:
- Mr. Wenceslaus Furtado
Designation: Deputy Manager
Address: Phiroze Jeejeebhoy Towers, 16th Floor,
Dalal Street, Fort, Mumbai- 400001.
email id:helpdesk.evoting@cdslindia.com<<mailto:helpdesk.evoting@cdslindia.com>>
Phone number: 18002005533
- (xxii) Pursuant to Section 107 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, voting through Polling Paper shall also be made available to those Members who will be attending the Annual General Meeting and have not cast their vote by e-voting.
- (xxiii) Ms. Shailashri Bhaskar, Practicing Company Secretary

(Membership No. FCS-5778 and CP No. 5092) or in her absence Mr. A. Sekar, Practicing Company Secretary (Membership No. ACS-8649 and CP No. 2450), has been appointed as the Scrutinizer to scrutinize e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) and the Polling at the AGM, in a fair and transparent manner.

The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not

in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

By Order of the Board

Qaiser P. Ansari
Company Secretary
Membership No. ACS-8979

Place: Mumbai
Date: 11th August, 2016

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 4

This Explanatory Statement is provided though strictly not required as per Section 102 of the Act.

M/s. Kirti D. Shah & Associates, Chartered Accountants, Mumbai, (Membership No. 32371 and having Peer Review Certificate issued by the Institute of Chartered Accountants of India), were appointed as the Statutory Auditors of the Company for a period of 3(three) years at the Forty Fourth Annual General Meeting of the Company held on 26th September, 2014.

As per the requirement of the Act, M/s. Kirti D. Shah & Associates, Chartered Accountants, have confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act and it is not disqualified to be appointed as Auditor in terms of the provisions of Section 139 and 141 of the Act and the Companies (Audit and Auditors) Rules, 2014.

It may be noted that Board on the recommendation of the Audit Committee, had approved the payment of Fee for Statutory Audit Not Exceeding Rs. 32,00,000/- plus Service Tax., Fees and for Tax Audit Not Exceeding Rs. 3,00,000/- plus Service Tax., Out of Pocket and Travelling Expenses for the Financial Year ended March, 2017.

As per the provision of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by Members at every AGM.

Accordingly, ratification of the Members is being sought for proposal contained in the Resolution set out at item No. 4 of the Notice.

The Board commends the resolution at Item No. 4 for approval by the Members.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

Item No. 5

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the Cost Records of the Company for the financial year ending March 31, 2017 for a remuneration of Rs. 2,10,000/- (Rupees Two Lakh Ten Thousands Only) p.a. plus Service Tax and reimbursement of Out of Pocket Expenses at actual.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2017.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

By Order of the Board

Qaiser P. Ansari
Company Secretary
Membership No. ACS-8979

Place: Mumbai
Date: 11th August, 2016

BOARD'S REPORT

To
The Members,
Aries Agro Limited

Your Directors have pleasure in presenting their 46th Annual Report on the operations of the Company together with the Audited Financial Statements for the Financial Year ended 31st March, 2016.

FINANCIAL RESULTS

(Rs. In Lakhs)

PARTICULARS	STANDALONE				CONSOLIDATED			
	AS AT 31.03.2016		AS AT 31.03.2015		AS AT 31.03.2016		AS AT 31.03.2015	
Total Revenue (including Other Income)		23,080.52		23,563.47		28,593.90		30,609.31
Profit Before Tax Interest & Depreciation		3,273.41		3,820.50		4,728.85		5,646.98
Less: Finance Costs	2,058.92		2,129.65		2,454.84		2,413.04	
Depreciation & Amortisation Expense	175.63		181.72		1,058.04		985.48	
		2,234.55		2,311.37		3,512.88		3,398.52
Profit Before Tax		1,038.86		1,509.13		1,215.97		2,248.46
Tax Expense	365.00		555.50		365.00		555.50	
Deferred Tax	13.10		(260.70)		13.10		(260.70)	
		378.10		294.80		378.10		294.80
Profit for the year before Minority Interest		660.76		1,214.33		837.87		1,953.66
Minority Interest		-		-		93.71		234.46
Profit for the year (PAT)		660.76		1,214.33		744.16		1,719.20
Exceptional Items		21.61		33.04		21.61		33.04
Balance Brought Forward		6,332.82		6,249.42		9,896.50		9,197.81
Amount available for appropriation		6,971.97		7,430.71		10,619.05		10,883.97
WDV of Assets Written off having zero remaining useful life due to change in method of Depreciation in line with Companies Act, 2013		-		684.55		-		684.55
General Reserve		50.00		100.00		50.00		100.00
Legal Reserves		-		-		28.12		35.59
Proposed Dividend		195.06		260.09		195.06		260.09
Tax on Proposed Dividend		39.71		53.25		39.71		53.25
Surplus Carried Forward to Balance Sheet		6,687.20		6,332.82		10,306.16		9,750.49

OPERATIONS-STAND ALONE

During the year under review, the Earnings Before Interest, Depreciation and Tax was Rs. 3,273.41 Lakhs compared to Rs. 3,820.50 Lakhs in the previous year. The Total Revenue (excluding Other Income) for the year net of excise duty was Rs. 22,937.93 Lakhs as against Rs. 23,411.19 Lakhs in the previous year. Profit after tax for the year was Rs. 639.16 Lakhs compared to Rs. 1,181.28 Lakhs in the previous year.

CONSOLIDATED FINANCIAL STATEMENT

In accordance with the Accounting Standards (AS)-21 on Consolidated Financial Statements, the Audited Consolidated Financial Statement is provided in the Annual Report.

The Consolidated Profit Before Interest, Depreciation, Exceptional

Items and Taxes (EBITDA) of the Group was Rs. 4,728.85 Lakhs in the Financial Year 2015-16 compared to Rs. 5,646.98 Lakhs in the previous year. Consequently, the Consolidated Profit Before Exceptional Items and Taxes (PBT) was Rs. 1,215.97 Lakhs in the Financial Year 2015-16 compared to Rs. 2,248.46 Lakhs in the previous year.

FINANCIAL REVIEW

The profitability from operations was adversely affected due to extremely erratic agricultural season, requiring additional promotions, excessive discounts to retain market share including higher cash discounts to recover market outstandings. By choosing to incur these costs, the Company managed to retain revenue at the cost of profitability. It was felt prudent to do so since in a highly competitive market, loss of market share would be difficult to recover. Similar

demand constraints was faced in the overseas market as well with subdued rainfall conditions in other western and pacific markets.

During the previous financial year the Company took several steps to reduce cost and retain its market share despite adverse agricultural season and purchasing power conditions. After great effort of staff and support of Aries customers, the Company managed to maintain its revenue at almost the same level as of the previous Financial Year with a marginal 2% percent reduction. However, profitability did reduce significantly due to increase discounts in selling expenses required to maintain market share.

DIVIDEND

After considering earnings, requirement for funds and with the objective of rewarding the Shareholders, the Directors have recommended a Dividend of 15% being Rs. 1.50 per Equity Share of Rs. 10/- each (previous year 20% being Rs. 2/- per Equity Share of Rs. 10/- each) subject to your approval at the ensuing Annual General Meeting. The Dividend, if approved, will result in an outflow of Rs. 234.78 Lakhs including Dividend Distribution Tax.

TRANSFER TO RESERVES

Your Directors propose to transfer Rs. 50.00 Lakhs to the General Reserve out of the current year's profit and the balance aggregating to Rs. 6,687.20 Lakhs is proposed to be retained in the Profit and Loss Account.

FUTURE PROSPECTS:

During 2016-17 however the Company expects good growth due to favourable monsoon conditions and this will boost the revenue and profits during the current fiscal 2016-17. In order to secure confirmed order book, the Company (for the first time in agri business in India) conducted All India Flash Sale and Booking Bazaar on 19th and 20th April, 2016 at the Bombay Stock Exchange, Convention Hall, Mumbai. Record breaking orders with payment instruments were collected totaling to Rs. 201.78 Crores within a 30 minute Flash Sale period. This will ensure that the Company is able to plan inventories and production as well as timely supplies to more than 400 No. of dealers who participated in this unique one of its kind booking bazaar. In the past, the Company has conducted similar flash sales on the state level and the average conversion of bookings to orders was approximately 75% to 80%. Assuming similar conversion on all India basis, this booking bazaar will result in definite increase in sales during the first half of the Financial Year. The Company is also increasing focus on non rain dependant activities including sales to aquaculture farmers, plantations and perennial crops in irrigated districts of the country.

The Company introduced only two new products namely K-phonic and Mobomin during the current Financial Year. However, it will focus on growing sales of the three new products launched towards the end of 2015-16 namely Arisil, Calcomag and Calpro.

CREDIT RATING

The Company's financial discipline is reflected in the credit ratings ascribed by rating Agency as given below:

CRISIL Rating: Long Term BBB+/Stable(Reaffirmed)(Facilities with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such Facilities carry moderate credit risk)adequate and Short Term A2(Reaffirmed) (Facilities with this rating are considered to have strong degree of safety regarding timely payment of financial obligations. Such Facilities carry low credit risk). There was no change in the Credit Rating of the Company during the year.

CHANGES IN NATURE OF BUSINESS AND REVISION IN THE BOARD'S REPORT

There is no change in the nature of business of the Company during the year. There is no revision made in the Board's Report and whatever submitted herewith is the final Report.

SAFETY AND HEALTH

The health and safety of the employees across its operations remains the highest priority for the Group. All endeavours are being taken to enhance safety standards and processes towards minimising safety risks in all operations in the Company.

USE OF IPO PROCEEDS

Your Company made its . IPO in January 2008 for the purposes as stated in the Prospectus dated 26th December, 2007. The IPO proceeds have been utilized in accordance with the schedule of the Prospectus and variation approved by the shareholders at their Annual General Meeting held on 29th September, 2009 by passing a Special Resolution. However, the renovation/extension of existing Office Building at Mumbai is pending completion.

PUBLIC DEPOSITS

The Company has not accepted any deposits from the Public within the meaning of Section 73 of the Companies Act, 2013 and Members (other than Directors) during the year under review and as such, no amount on account of Principal or Interest on Deposits from Public and Members (other than Directors) was outstanding as on 31st March, 2016.

SUBSIDIARIES & ASSOCIATE COMPANIES

Your Company has five Subsidiaries out of which three non-material Indian Subsidiaries viz Aries Agro Care Private Limited, Aries Agro Equipments Private Limited, Aries Agro Produce Private Limited and two foreign subsidiaries namely Golden Harvest Middle East FZC and a Step Down Subsidiary viz Amarak Chemicals FZC at UAE.

The operations of Aries Agro Care Pvt. Ltd. commenced in the Financial Year 2008-09 but discontinued the activity in the financial year 2012-13 and had no business activity in the financial year 2015-16 . The Company incurred expenses to the tune of Rs. 0.37 Lakhs.

The business operations of Aries Agro Equipments Pvt. Ltd. commenced in the year 2009-10 in agricultural sprayers but discontinued the activity in the financial year 2013-14. During the Financial Year 2015-16 the Company did not have any Income and incurred expenses of Rs. 0.29 Lakhs.

The above two Companies are Wholly Owned Subsidiaries of the Company.

There was no business activity in other Subsidiary namely Aries Agro Produce Pvt. Ltd. During the Financial Year 2015-16 the Company has incurred expenses of Rs. 0.27 Lakhs.

As regards the overseas subsidiary M/S. Golden Harvest Middle East FZC with an installed capacity of 10,800 MT p.a., in their Eighth Year of operation, has generated a total sale of AED 95.80 Lakhs(INR 1,679.00 Lakhs) with a Loss of AED 5.84 Lakhs(INR 102.74 Lakhs) for the year 2015-16.

M/s. Amarak Chemicals FZC, which is a Step Down Subsidiary of Aries Agro Limited with an installed capacity of 60,000 MT p.a., in their Fourth Full Year of operation, has generated a total sale of AED 273.08 Lakhs(INR 4,786.12 Lakhs) with a profit of AED 15.59 Lakhs(INR 272.91 Lakhs) for the year 2015-16.

Your Company has four Group Companies viz Aries East-West

Nutrients Private Limited, Aries Marketing Limited, Blossoms International Limited and Sreeni Agro Chemicals Limited. There were no business activities in any of these Companies during the Financial Year 2015-16.

As required under Section 129(3) of The Companies Act, 2013, annexed hereto are the Audited Financial Statements for the Year ended 31st March, 2016 of Golden Harvest Middle East FZC., Amarak Chemicals FZC., Aries Agro Care Private Limited, Aries Agro Equipments Private Limited and Aries Agro Produce Private Limited.

A Statement in Form AOC-1 of Subsidiary Companies as prescribed under Section 129(3) of The Companies Act, 2013 read with Rule 5 of Companies(Accounts) Rules, 2014, is annexed and is forming part of the Annual Report.

Apart from the above statement a list of Subsidiary & Group Companies is given in Note No. 27-A of the Notes to Accounts is forming part of the Annual Report.

The Financial Statements of the Subsidiary Companies and related information shall be uploaded on the website of your Company which can be accessed using the link <http://www.ariesagro.com> and the same are available for inspection by the members at the Registered Office of your Company during business hours on all working days except Saturdays and Sundays upto the date of the Annual General Meeting, as required under Section 136 of the Act. Any Member desirous of obtaining a copy of the said Financial Statements may write to the Company Secretary at the Registered Office Address.

All the above Indian Subsidiary and Group Companies are un-listed and non-material Companies as defined under Listing Regulations.

INSURANCE

All properties and assets of your Company are adequately insured covering all conceivable risks.

DIRECTORS & KEY MANAGERIAL PERSONNEL

DIRECTORS

There is no change in the Composition of the Board of Directors during the year under review.

Pursuant to the provisions of Section 152(6) of the Companies Act, 2013, Dr. Rahul Mirchandani, Director retires by rotation and being eligible, offers himself for re-appointment. Accordingly, his re-appointment forms part of the Notice of ensuing Annual General Meeting.

All the Independent Directors have submitted declarations to the effect that each of them meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and Listing Regulations and there has been no change in the circumstances which may affect their status as Independent Director during the year.

During the year, the Non-Executive Directors of the Company had no pecuniary relationship of transactions with the Company.

Familiarisation Programme for Independent Directors---- Though there is no formal Policy for familiarization but the Company in order to familiarize the Independent Directors with the business of the Company presentation was made by the Chief Financial Officer covering nature and scope of business, nature of industry in which Company operates, profitability and future plans. Regularly at meetings updates are given to the Board. Directors are also taken for the Factory visits and they also attended the Annual Sales Meet. House Journal as and when published is also sent to all the Directors and their feedback are considered.

KEY MANAGERIAL PERSONNEL

There is no change in the Key Managerial Personnel during the year under review. All the Key Managerial Personnel have submitted disclosures and declaration required under the Companies Act, 2013 and Listing Regulations.

MEETINGS OF BOARD

Five Meetings of the Board of Directors were held during the year. For further details, please refer Report on Corporate Governance of this Annual Report.

AUDIT COMMITTEE

The Audit Committee comprises Prof. R. S. S. Mani (Independent Director as Chairman upto 31-3-2016), Shri. B. V. Dholakia(Independent Director) and Dr. Rahul Mirchandani as Members. Shri. B. V. Dholakia(Independent Director) is the Chairman effective 01-04-2016 with Prof. R. S. S. Mani and Dr. Rahul Mirchandani as Members.

All the recommendations made by the Audit Committee were accepted by the Board during the year under review.

CSR COMMITTEE

The CSR Committee comprises Dr. Jimmy Mirchandani(Chairman), Dr. Rahul Mirchandani and Shri. B. V. Dholakia as other Members.

BOARD EVALUATION

The Board of Directors have carried out an Annual Evaluation of its own performance and individual Directors pursuant to provisions of the Act and Corporate Governance requirements as prescribed by Regulation 17(10) of the SEBI(LODR) Regulations, 2015.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of criteria such as the Board Composition and Structure, Effectiveness of Board Process, Information and Functioning etc.

In a separate Meeting of the Independent Directors, performance of Non-Independent Directors, Performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Policy on Directors Appointment and Remuneration including criteria for determining qualifications, positive attributes, independence of Director and also Remuneration for Key Managerial Personnel and other Employees are contained in the Nomination and Remuneration Policy which is hosted at the web site of the Company at www.ariesagro.com.

DIRECTORS' RESPONSIBILITY STATEMENTS

Pursuant to the requirements of Section 134(5) of the Companies Act, 2013 the Board of Directors, to the best of their knowledge and ability, confirm that:

1. in preparation of the Annual Accounts, applicable Accounting Standards have been followed and that there are no material departures;
2. they have selected such Accounting Policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the State of the Affairs of the Company at the end of the financial year and of the profit of the Company for that year;

3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. they have prepared the Annual Accounts on a 'going concern' basis;
5. they have laid down Internal Financial Controls to be followed by the Company and such Internal Financial Controls are adequate and operating effectively;
6. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF EMPLOYEES & RELATED DISCLOSURES

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are as under:

1. **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year;**

Non-Executive Directors	Ratio to median Remunerations
Mrs . Nitya Mirchandani	0.48
Prof. R. S. S. Mani	0.83
Mr. Chakradhar Bharat Chhaya	0.62
Mr. Bhumitra Vinodchandra Dholakia	0.84
Executive Directors	
Dr. Jimmy Mirchandani	22.05
Dr. Rahul Mirchandani	23.48

2. **The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year;**

Directors, Chief Financial Officer and Company Secretary	% increase in Remuneration in the Financial Year
Dr. Jimmy Mirchandani	-25.95
Dr. Rahul Mirchandani	-24.40
Mr. S. Ramamurthy, Chief Financial Officer	4.59
Mr. Qaiser P. Ansari Company Secretary	7.98

3. **The percentage increase in the median remuneration of employees in the financial year; 16.04 %**
4. **The number of permanent employees on the rolls of Company; 748**
5. **The explanation on the relationship between average increase in remuneration and Company performance;**

The reward Philosophy of the Company is to provide market competitive total reward opportunity that has a strong linkage to and drives performance culture. Every year, the salary increases for the Company are decided on individual performance parameters . The final salary increases given are a function of

Company's market competitiveness in this comparator group as well as overall business affordability. During the year, similar approach was followed to establish the remuneration increases to the Employees. Variable compensation is an integral part of our total reward package and is directly linked to an individual performance rating and business performance. Salary increase during the year were in line with Company's performance as well as per Company's market competitiveness.

6. **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;**

Aggregate Remuneration of Key Managerial Personnel(KMP) in Financial year 2015-16(Rs. Lakhs)	58.83
Revenue(Rs. Lakhs)	22,937.93
Remuneration of KMPs(as % of Revenue)	0.26%
Profit Before Tax(PBT) (Rs. Lakhs)	1,038.87
Remuneration of KMPs(as % of PBT)	5.66%

7. **Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year;**

Particulars	31 st March, 2016	31 st March, 2015	% Change
Market Capitalization(Rs. Crores)	11,716.91	13,745.59	-14.76
Price Earnings Ratio	17.73	11.32	56.65

8. **Percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;**

Particulars	31 st March, 2016	January, 2008(IPO)	% Change
Market Price(BSE)	90.10	130.00	-30.69
Market Price(NSE)	90.15	130.00	-30.65

9. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;**

The average annual increase was around 7.25% after accounting for promotions and other event based compensation revision.

Though the Chairman & Managing Director and the Executive Director were re-appointed for a term of 3 years each, their Remuneration remained 5% of the Profit as calculate as per the Companies Act, 2013 however due to drop in the Profit the Managerial Remuneration for the Year decreased as compared to Previous Year.

10. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company;

	Dr. Jimmy Mirchandani, Chairman & Managing Director	Dr. Rahul Mirchandani, Executive Director	Mr. S. Ramamurthy, Chief Financial Officer	Mr. Qaiser P. Ansari, Company Secretary
Remuneration- FY-2015-16 (Rs. In Lacs)	60.13	64.02	35.16	23.67
Price Earnings Ratio	17.73			
Revenue(Rs. In Lakhs)	22,937.93			
Remuneration as % of revenue	0.26%	0.28%	0.15%	0.10%
Profit Before Tax(PBT) (Rs in Lakhs)	1,038.87			
Remuneration as % of PBT	5.79%	6.16%	3.38%	2.28%

11. The key parameters for any variable component of remuneration availed by the Directors;

The Non-Executive Directors do not get any remuneration (including Commission) except the Sitting Fee. The Executive Directors are entitled for Commission within the overall limit of

10% and individually 5% as per the Act only from the Company and not from its Subsidiary Companies.

12. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;

None

13. Affirmation that the remuneration is as per the Remuneration Policy of the Company.

The Company affirms remuneration is as per the Remuneration Policy of the Company.

The Statement containing Particular of Employees as required under Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, drawing remuneration in excess of the limits set out in the said Rules are provided in the Annual Report.

Information in accordance with the provisions of Section 197(12) of the Companies Act, 2013 ("Act") read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are as under:

PARTICULARS OF EMPLOYEES IN TERMS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 DRAWING REMUNERATION NOT LESS THAN Rs. 60 Lakhs p.a./Rs. Five Lakhs p.m. DURING THE YEAR 2015-16												
SR. No.	NAME	DESIGNATION	REMUNERATION RECEIVED	NATURE OF EMPLOYMENT	OTHER TERMS & CONDITIONS	NATURE OF DUTY	QUALIFICATION & EXPERIENCE	DATE OF COMMENCEMENT	AGE	Last Employment held	% of Equity Shares held as on 31.03.2016	Whether Relative of any Director or Manager and Name of such Director or Manager
1	DR. JIMMY MIRCHANDANI	CHAIRMAN AND MANAGING DIRECTOR	60,13,000	CONTRACTUAL	N.A.	MANAGING THE AFFAIRS OF THE COMPANY	B. Sc. (Vet); LLB	15.01.1976	60	N.A.	27.11	Brother of Dr. Rahul Mirchandani & Brother in Law of Mrs. Nitya Mirchandani
2	DR. RAHUL MIRCHANDANI	EXECUTIVE DIRECTOR	64,01,762	CONTRACTUAL	N.A.	MANAGING THE AFFAIRS OF THE COMPANY	B. Com; CFA; MBA; Ph.D	02.02.1994	40	N.A.	20.17	Brother of Dr. Jimmy Mirchandani & Husband of Mrs. Nitya Mirchandani

ESOPS

The Company has not offered any ESOPS scheme to its Employees or Directors.

RISK MANAGEMENT AND INTERNAL FINANCIAL CONTROLS

Company has elaborate Risk Management Procedure which is based on three Pillars. Business Risk Assessment, Operational Controls Assessment and Policy Compliance processes. Major Risks identified by the Business and Functions are systematically addressed through mitigating actions on continuing basis. The Key risks are also discussed at the Audit Committee.

The Company's Internal Financial Control Systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by the Statutory as well as Internal Auditors covering all Offices,

Factories and Key Business areas. Significant Audit Observations and Follow Up Actions thereon are reported to Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's Internal Control environment and monitors the implementation of the audit recommendations.

Based on the framework of Internal Financial Controls and Compliance Systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors and review performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's Internal Financial Controls were adequate and effective during the Financial Year 2015-16.

GREEN INITIATIVES

Pursuant to Sections 101 and 136 of the Companies Act, 2013

the Company will be sending Annual Report through electronic mode(email) to all the shareholders who have registered their email addresses with the Company or with the Depository to receive the Annual Report through electronic mode and initiated steps to reduce consumption of paper.

HUMAN RESOURCES

Humans are considered as one of the most critical resources in the business which can be continuously smoothened to maximize the effectiveness of the Organization. Human resources build the Enterprise and the sense of belonging would inculcate the spirit of dedication and loyalty amongst them towards strengthening the Company's Policies and Systems. All personnel continue to have healthy, cordial and harmonious approach thereby enhancing the contributory value of the Company.

LISTING

The Equity Shares of the Company are listed at BSE Limited (BSE) and National Stock Exchange of India Limited(NSE).

The Company has made all the compliances of Listing Agreement including payment of Annual Listing Fees upto 31st March, 2017 to both the Stock Exchanges.

CORPORATE GOVERNANCE

The Company has complied with the various requirements under the Corporate Governance reporting system. A detailed Compliance Report on Corporate Governance is annexed to this Report as required by the Listing Regulations. The Auditors' Certificate on Compliance with the conditions of Corporate Governance is also annexed to this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of the SEBI(LODR) Regulations, 2015 of the Listing Agreement with the Stock Exchanges, is also annexed to this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO

Particulars in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, as required to be disclosed by the Companies(Accounts) Rules, 2014 and forming a part of the Directors Report are as under: -

I. Conservation of energy

The Company accords great importance to conservation of energy. The main focus of the Company during the year was:

- a. Energy Conservation measures taken:-
 - i. Close monitoring of consumption of electricity, LPG, Diesel and water.
 - ii. Optimum use of Energy by Switching off Machines, Lights, Fans, Air Conditioners and Exhaust Systems whenever not required.
 - iii. Creating awareness among Workmen to conserve energy.
 - iv. Aries has installed its first Solar Power Generation System at its manufacturing unit in Hyderabad.

Impact of measures taken for reduction of energy consumption and consequent impact on the cost of production of goods

- Due to measures taken as described above, the overall

power and fuel oil consumption at plants and office has reduced. However, the cost of production on account of power has increased due to increase in cost per unit.

- b. Total energy consumption and energy consumption per unit of production

Form -A

Form for disclosure of Particulars with respect to Conservation of Energy.

		Current Year 2015-2016	Previous Year 2013-2015
(a)	1. Purchased: -		
	I Electricity		
	(i) Unit (KWH)	862,373	861,366
	(ii) Total Amount (Rs.)	8,422,432	8,015,893
	(iii) Rate/Unit (Rs.)	9.77	9.31
	II Piped Gas		
	(i) Unit (M3)*	275,063	277,884
	(ii) Total Amount (Rs.)	10,067,553	11,923,491
	(iii) Rate/Unit (Rs.)	1.29	42.91
	*Gas Supply started from 22.12.2012 from Sabarmati Gas Limited		
(b)	2. Own Generation: -		
	(i) Coal	Not Applicable	Not Applicable
	(ii) Furnace Oil - KI	3,422	16,737
	(iii) Internal Generation – Units	12,996	59,658
	(iv) Solar	104,667	60,969

II. Form for disclosure of particulars with respect to Technology Absorption, Research and Development

(A) RESEARCH AND DEVELOPMENT:

1. Specific Areas in which Research and Development was carried out by the Company.

- There is a continuous focus on University research on specialty plant nutrition which continues across India.
- Our team of extension officers conducts continuous field demonstrations and extension work including large scale soil sampling, which provides constant updates on deficiency levels across all states in India.
- The Company's R&D at Mumbai is ISO 9001 certified and works on new product development and continuous quality checks. The manufacturing unit at Hyderabad has been equipped with a state of art laboratory to keep pace with the Company's expansion in that region.

2. Benefits derived as a result of the above efforts.

- Improvement in productivity/quality and reduction in cost of production of Company's Plants and at Customer's end.
- Cost reduction, import substitution, safer environment and strategic resource management.
- Meeting the statutory requirements.

3. Future Plan of Action :

- Identifying customized formulations for new states where Aries is entering to sell their product range.
- Increase the nutrients range to include silicon based products.

- Identify more organic / natural source of plant nutrients and allied products.

4. Expenditure on R & D

Description	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
	(Rupees)	(Rupees)
(I) Capital	332,799	59,131
(II) Recurring	4,171,522	3,845,961
(III) TOTAL	4,504,321	3,905,092
(IV) Total R & D expenditure as a % of		
a. Gross Turnover	0.19	0.16
b. Net Turnover	0.20	0.17

B1. Technology Absorption, Adaptation and Innovation

The Management has focused on productivity and Total Quality Management [TQM] in order to optimize manufacturing costs.

B2. Benefits

This has helped in achieving optimum manufacturing costs, improved quality of products and consequently, enhanced customer satisfaction. The Company uses indigenous technology.

B3. The has not imported any technology during the year under review.

C. Foreign Exchange Earnings and Outgo

- Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:

International sales have commenced in Australia, Brazil, Ecuador, New Zealand, Pakistan, Spain, Singapore, Sri Lanka, Taiwan, Trinidad, United Kingdom, United States of America, Vietnam, and Zambia, with supplies from Indian and UAE factories. Distributors have been appointed in Brazil, Cambodia, Ecuador, New Zealand, Sri Lanka and Vietnam, and we expect export and global sales to grow and form around 15% of the group revenues of the Company by Financial Year 2015-17.

- Total Foreign Exchange used and earned:**

Used : Rs. 20,76,51,380/-

Earned: Rs. 1,22,12,499/-

- Initiative for Exports**

Following import substitution and commencement of manufacturing of certain products in the Indian factories, previously being produced in our UAE facilities, the Company has applied for the required export license to enable direct export of such products from India to the existing global buyers. This will ensure that every customer is serviced effectively.

Export development from India, in addition to from the UAE factories, shall further boost prospects in international business.

SPECIAL BUSINESS

As regards the items of the Notice of the AGM relating to Special Business, the resolutions incorporated in the Notice and the

Explanatory Statement relating thereto, fully indicate the reasons for seeking the approvals of members to those proposals. Your attention is drawn to these items and Explanatory Statement annexed to the Notice.

VIGIL MECHANISM

The Vigil Mechanism of the Company, which also incorporates a Whistle Blower Policy in terms of the Listing Regulations is in place. Protected disclosures can be made by a Whistle Blower in writing or through an e-mail, to the Chairman of the Audit Committee.

The Policy on Vigil Mechanism and Whistle Blower Policy may be accessed on the Company's website www.ariesagro.com.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN & SECURITIES PROVIDED

Particulars of Loans given, Investments made, Guarantees given and Securities provided along with the purpose for which the Loan or Guarantee or Security is proposed to be utilized by the recipient are provided in the Standalone Financial Statements.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

None of the transactions with Related Parties falls under the scope of Section 188(1) of the Companies Act, 2013. Information on transactions with Related parties pursuant to Section 134(3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies(Accounts) Rule, 2014 are given in Annexure-I in Form AOC-2 and the same forms part of this Report.

CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure-II of this Report in the format prescribed in the Companies(Corporate Social Responsibility Policy) Rules, 2014. The Policy is available on the Web-Site of the Company.

Your Company continues to demonstrate a strong commitment towards providing products which do not hamper the soil and crop eco systems. A detailed Report on Corporate Social Responsibility is annexed to this Report.

EXTRACTS OF ANNUAL RETURN

As provided under Section 92(3) of the Companies Act, 2013 the Extract of the Annual Return is given in **Annexure-III** in prescribed Format MGT-9, which forms part of this Report.

AUDITORS & AUDITORS REPORTS

Statutory Auditors

M/s. Kirti D. Shah & Associates, Chartered Accountants, Mumbai, (Membership No. 32371 and having Peer Review Certificate issued by the Institute of Chartered Accountants of India), were appointed as the Statutory Auditors of the Company for a period of 3(three) years at the Forty Fourth Annual General Meeting of the Company held on 26th September, 2014.

As per the provision of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by Members at every AGM. Accordingly, ratification of the Members is being sought for proposal contained in the Resolution set out at item No. 4 of the Notice.

The Statutory Auditors' Report does not contain any qualification, reservation or adverse remark. Further that there was no fraud reported by Auditors under sub-section (2) of Section 143 of the

Companies Act, 2013 other than those reportable to the Central Government.

Cost Auditors

The Company had appointed M/s. R. Nanabhoy & Co., Cost Accountants, to conduct the Audit of Cost Accounting Records of its products for the financial year 2014-2015.

The due date for filing the Cost Audit Reports in XBRL mode for the financial year ended March 31, 2015 was originally 27th September, 2015 which was later extended. The Cost Audit Reports were filed by the Cost Auditor on 7th October, 2015 within the extended due date.

Further M/s. R. Nanabhoy & Co., Cost Auditors were re-appointed as the Cost Auditor of the Company for the year ending 31st March, 2016 by the Board of Directors at their meeting held on 28th May, 2015 after ensuring their eligibility and obtaining the letter of eligibility from them.

The Company's Cost Audit for the Financial Year 2015-16 is completed and the Cost Audit Report has been received and the same will be filed with the Ministry of Corporate Affairs, Government of India within the stipulated time.

The Cost Audit Report does not contain any qualification, reservation or adverse remark.

Secretarial Auditors

The Board has appointed Mr. A. Sekar, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed herewith marked as **Annexure-IV** to this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

VAT AUDITORS

As required under the VAT Acts of various States, Company has appointed a VAT Auditor to conduct the VAT Audit.

GENERAL DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of Equity Shares with differential rights as to dividend, voting or otherwise.
3. Issue of Shares (including Sweat Equity Shares) to employees of the Company under any scheme.
4. Buy Back of shares of the Company during the year under review.
5. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its Subsidiaries.
6. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status

and Company's operations in future.

7. The Company is not required to submit Business Responsibility Report in pursuance of Regulation 34(2)(f) SEBI(LODR) Regulations, 2015.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013.

The Company has set up an Internal Complaints Committee (ICC) for providing a Redressal Mechanism pertaining to Sexual Harassment of Women employees at workplace. There was no complaint received during the year under review.

MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE FINANCIAL YEAR END OF THE COMPANY TO WHICH FINANCIAL RESULTS RELATE

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

MATERIAL ORDERS PASSED

No material Orders have been passed by any Authorities in respect of any matters with regards to the business of the Company.

STATUTORY DISCLOSURES

None of the Directors of your Company are disqualified as per provisions of Section 164(2) of the Companies Act, 2013. Your Directors have made necessary Disclosures, as required under various provisions of the Companies Act, 2013 and the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

ACKNOWLEDGEMENT

We would like to acknowledge with gratitude, the support and co-operation extended by Shareholders, Vendors, Media and Banks and look forward to their continued support. We appreciate continued co-operation received from various regulatory authorities including Department of Agriculture, Department of Corporate Affairs, Registrar of Companies, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and Depositories. We also recognize and appreciate the sincere hard work, loyalty and efforts of the employees and look forward to their continued support.

For and on behalf of the Board

Place: Mumbai
Date: 11th August, 2016

Dr. Jimmy Mirchandani
Chairman & Managing Director
DIN-00239021

Form No. AOC-2

(Pursuant to clause(h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies(Accounts) Rules, 2014)

Form for disclosure of Particulars of Contracts/Arrangements entered into by the Company with Related parties referred to in sub-section(1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third provision thereto:

1. **Details of Contracts or Arrangements or Transactions not at arm's length basis:** Aries Agro Limited has not entered into any Contract or Arrangement with its Related Parties which is not at arm's length during the Financial Year 2015-16.
2. **Details of Contracts or Arrangements or Transactions at arm's length basis:**

Sr. No.			
1.	Name(s) of the Relate Party and nature of Relationship	Golden Harvest Middle East FZC-75% Subsidiary	Amarak Chemicals FZC-Step Down Subsidiary
2.	Nature of Contracts/Arrangements/ Transactions	Order based Contracts	Order based Contracts
3.	Duration of Contracts/Arrangements/ Transactions	Order based Contracts	Order based Contracts
4.	Salient terms of Contracts/ Arrangements/Transactions including Value, if any	As per the Orders from time to time	As per the Orders from time to time
5.	Date of Approval by the Board, if any	Not Applicable, since the Contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable, since the Contract was entered into in the ordinary course of business and on arm's length basis
6.	Amount Paid as advances, if any	Rs. 1076.39 Lacs	Rs. NIL

For and on behalf of the Board,

Place: Mumbai
Date: 11th August, 2016

Dr. Jimmy Mirchandani
Chairman & Managing Director
DIN-00239021

Annexure-II

Annual Report on CSR Activities

Particulars	Details												
1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.	<p>Our policy on Corporate Social Responsibility of Company is broadly framed taking into account the following measures: -</p> <p>a) Welfare measures for the community at large, so as to ensure the disadvantaged sections of the Society derived the maximum benefits.</p> <p>b) Contribution to the society at large by way of social and cultural development, imparting education, training and social awareness especially with regard to the farming sector for their development and generation of income.</p> <p>c) Protection and safeguarding of the environment and maintaining ecological balance through a range of ecologically sustainable and cost effective products.</p> <p>Chairman & Managing Director/Executive Director of the Company shall exercise their delegated powers for according approval for the project within the ceiling limit of said 100% budget. CSR should be broadly executed by Company in the areas in which its operating units are located. CSR committee will frame the CSR Policy and modify from time to time and the Board to implement and monitor CSR activities.</p> <p>The CSR Policy is hosted at www.ariesagro.com in the Investor Relations Section.</p>												
2. The Composition of the CSR Committee. ---	<p>Dr. Jimmy Mirchandani</p> <p>Dr. Rahul Mirchandani</p> <p>Shri Bhumitra V. Dholakia</p>												
3. Average Net Profit of the Company for last three Financial Years	Rs. 16,41,05,252/-												
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	Rs. 32,82,105/-												
5. Details of CSR spent during the Financial Year.													
(a) Total amount to be spent for the Financial Year;	Rs. 32,82,105/-												
(b) Amount unspent, if any;	NIL												
(c) Manner in which the amount spent during the Financial Year.	<table> <tr> <td>Scholarship</td><td>1,78,850</td></tr> <tr> <td>Distribution of Books</td><td>52,500</td></tr> <tr> <td>Farmers Education</td><td>14,92,599</td></tr> <tr> <td>Farmers Call Centre</td><td>2,37,784</td></tr> <tr> <td>Infrastructure Support</td><td>13,92,230</td></tr> <tr> <td>TOTAL</td><td>33,53,963</td></tr> </table>	Scholarship	1,78,850	Distribution of Books	52,500	Farmers Education	14,92,599	Farmers Call Centre	2,37,784	Infrastructure Support	13,92,230	TOTAL	33,53,963
Scholarship	1,78,850												
Distribution of Books	52,500												
Farmers Education	14,92,599												
Farmers Call Centre	2,37,784												
Infrastructure Support	13,92,230												
TOTAL	33,53,963												

We hereby declare that the implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company.”

For and on behalf of the Board,

Place: Mumbai
Date: 11th August, 2016

Dr. Jimmy Mirchandani
Chairman & Managing Director
DIN-00239021

Dr. Rahul Mirchandani
Executive Director
DIN-00239057

B. V. Dholakia
Director
DIN-01871816

FORM NO. MGT – 9
EXTRACT OF ANNUAL RETURN

As on the financial year ended 31.03.2016

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	L99999MH1969PLC014465
Registration Date	27 th November, 1969
Name of the Company	ARIES AGRO LIMITED
Category / Sub-Category of the Company	COMPANY LIMITED BY SHARES /INDIAN NON-GOVERNMENT COMPANY
Address of the Registered Office and contact details	Aries House, Plot No. 24, Deonar, Govandi(E), Mumbai-400 043 Phone No. 022 2556 4052/53 Fax No. 022 2556 4054/2557 1711
Whether listed Company	YES
Name, address and contact details of Registrar and Transfer Agent, if any	AARTHI CONSULTANTS PRIVATE LIMITED 1-2-285, Domalguda, Hyderabad – 500 029, Telangana, India Tel : +91-40-27634445 / 27642217, Fax: +91-40-27632184 E-mail: aries@aarthiconsultants.com Website: www.aarthiconsultants.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sr. No	Name and Description of main products / Services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Micro Nutrient Fertilizer - Manufactured	24129	50.48
2	Micro Nutrient Fertilizer - Traded	52397	12.12

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	%tage of Shares held	Applicable Section
1.	Golden Harvest Middle East FZC	Plot P3-04, Post Box No. 9267, Sharjah Airport International Free Zone(SAIF), Sharjah, UAE	N.A.	Subsidiary	75	2(87)(ii)
2.	Amarak Chemicals FZC	Al Hayl Industrial Area, P. O. Box 5283, Fujairah Free Zone(FFZ), Fujairah, UAE	N.A.	Step Down Subsidiary	75(Held by Golden Harvest Middle East FZC)	2(87)(ii)
3.	Aries Agro Care Private Limited	Aries House, Plot No. 24, Deonar, Govandi(E), Mumbai-400 043	U01122MH2007PTC166761	Subsidiary	100	2(87)(ii)
4.	Aries Agro Equipments Private Limited	Aries House, Plot No. 24, Deonar, Govandi(E), Mumbai-400 043	U01403MH2007PTC166972	Subsidiary	100	2(87)(ii)
5.	Aries Agro Produce Private Limited	Aries House, Plot No. 24, Deonar, Govandi(E), Mumbai-400 043	U01403MH2008PTC183789	Subsidiary	75	2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.PROMOTERS									
(1) Indian									
a) Individual/HUF	6857926	0	6857926	52.74	6857926	0	6857926	52.74	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	6857926	0	6857926	52.74	6857926	0	6857926	52.74	0
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	6857926	0	6857926	52.74	6857926	0	6857926	52.74	0
B. PUBLIC SHAREHOLDING									-
1. Institutions									-
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	21478	0	21478	0.17	10943	0	10943	0.08	-49.05
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	50000	0	50000	0.38	0	0	0	0	-100
h) Foreign Venture Capital funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	71478	0	71478	0.55	10943	0	10943	0.08	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1287123	131500	1418623	10.91	764106	131500	895606	6.89	-36.87
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	2922721	190081	3112802	23.94	3193554	179331	3372885	25.94	8.35

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual Shareholders holding nominal share capital in excess of ₹1 lakh	1258327	0	1258327	9.68	1536965	0	1536965	11.82	22.14
c) Others Directors and Relatives	0	0	0	0	0	0	0	0	0
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	0	0	0	0	0	0	0	0	0
ii) Other Foreign Nationals	0	0	0	0	0	0	0	0	0
iii) Foreign Bodies	0	0	0	0	0	0	0	0	0
iv) NRI / OCBs	138583	0	138583	1.06	162552	0	162552	1.25	17.30
v) Clearing Members /Clearing House	146600	0	146600	1.12	167097	0	167097	1.28	13.98
vi) Trusts	0	0	0	0	0	0	0	0	0
vii) Limited Liability Partnership	0	0	0	0	0	0	0	0	0
viii) Foreign Portfolio Investor (Corporate)	0	0	0	0	0	0	0	0	0
ix) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
Sub-Total (B)(2):	5753354	321581	6074935	46.71	5824639	310831	6135470	46.18	
Total Public Shareholding (B)=(B)(1)+(B)(2)	5824832	321581	6146413	47.26	5835582	310831	6146413	47.26	
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	12682758	321581	13004339	100.00	12693508	310831	13004339	100.00	-

(ii) Shareholding of Promoters

Shareholder's Name	No. of Shares held at the beginning of the year 01.04.2015			No. of Shares held at the end of the year 31.03.2016			% Change during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Jimmy Mirchandani	3524830	27.11	0	3524830	27.11	0	0
Rahul Mirchandani	2623221	20.17	0	2623221	20.17	0	0
Akshay Mirchandani	361875	2.78	0	361875	2.78	0	0
Amol Mirchandani	335000	2.58	0	335000	2.58	0	0
Ashok Mirchandani	10000	0.08	0	10000	0.08	0	0
Nitya Mirchandani	3000	0.02	0	3000	0.02	0	0
Total	6857926	52.74	0	6857926	52.74	0	0

(iii) Change in Promoters' Shareholding

There is no change in Promoter's Shareholding between 01.04.2015 to 31.03.2016.

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	Shareholder's Name *	Shareholding at the beginning of the year 01.04.2015		Shareholding at the end of the year 31.03.2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	VIJAY KISHANLAL KEDIA	0	0	360000	2.77
2	VIJAY KISHANLAL KEDIA	491248	3.78	238091	1.83
3	HITEN RAMNIKLAL MEHTA	126	0	175000	1.35
4	SANKIRT HOLDINGS PVT LTD	228858	1.76	156730	1.21
5	PALKHI INV. & TRDG CO. PVT LTD.	125000	0.96	125000	0.96
6	EDELWEISS SECURITIES LIMITED	1920	0.01	102619	0.79
7	ALACRITY SECURITIES LTD	269611	2.07	76100	0.59
8	NAV KAR FINLEASE PVT LTD	70136	0.53	70136	0.53
9	IL AND FS SECURITIES SERVICES LIMITED	48050	0.37	59936	0.46
10	AJAY UPADHYAYA	50000	0.38	57602	0.44
11	SUNIL KOTHARI	40000	0.31	42500	0.33
12	SHAILESH L SHAH	58000	0.45	21000	0.16
13	PROGRESSIVE SHARE BROKERS PRIVATE LIMITED	125500	0.96	0	0
14	KEDIA SECURITIES PVT LTD	95000	0.73	0	0
15	VAIBHAV RAO	62830	0.48	15638	0.12
16	VASHDEV DINGOMAL VASSANANI	56200	0.43	41600	0.32

* The Shares of the Company are traded on a daily basis and hence the date wise increase/decrease in Share Holding is not indicated.

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Shareholder's Name	Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year		Date of change in shareholding	Reason for change
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		
1	Dr. Jimmy Mirchandani	3524830	27.11	3524830	27.11	NIL	N.A.
2.	Dr. Rahul Mirchandani	2623221	20.17	2623221	20.17	NIL	N.A.
3	Mrs. Nitya Mirchandani	3000	0.02	3000	0.02	NIL	N.A.
4	Prof. R. S. S. Mani	0	0	0	0	NIL	N.A.
5	Mr. C. B. Chhaya	0	0	0	0	NIL	N.A.
6	Mr. B. V. Dholakia	0	0	0	0	NIL	N.A.
7.	Mr. S. Ramamurthy	0	0	0	0	NIL	N.A.
8.	Mr. Qaiser P. Ansari	5	0.00	5	0	NIL	N.A.

Other than this, no other Director and Key Managerial Personnel holds any shares in the Company.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment :

(Rupees in Lacs)

Indebtedness of the Company including interest outstanding/accrued but not due for payment	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
1. Principal Amount	9,058.51	1,631.72	-	10,690.23
2. Interest Due but not Paid	-	-	-	-
3. Interest accrued but not due	2.02	8.45	-	10.47
Total(1+2+3)	9,060.53	1,640.17	-	10,700.70
Change in Indebtedness during the Financial Year				
1. Addition	1,044.14	-	-	1,044.14
2. Reduction	-	366.68	-	366.68
Net Change	1,044.14	(366.68)	-	677.46
Indebtedness at the end of the Financial Year				
1. Principal Amount	10,103.65	1,265.61	-	10,690.22
2. Interest Due but not Paid	-	-	-	-
3. Interest accrued but not due	1.03	7.87	-	8.90
Total(1+2+3)	10,104.68	1,273.48	-	11,378.16

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director / Whole Time Director and/or Manager:

Sr No.	Particulars of Remuneration	Dr. Jimmy Mirchandani, CMD (₹ In lacs p.a)	Dr. Rahul Mirchandani, ED (₹ In lacs p.a)	Total Amount (₹ In lacs p.a)
1	Gross Salary			
	(a) Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961 Gross Salary	36.48	39.48	75.96
	(b) Value of Perquisites u/sec 17 (2) Income Tax Act, 1961	3.00	2.56	5.56
	(c) Profits in lieu of salary under section 17 (3) of Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission a. as a % of profit b. Others, specify	2.45	2.45	4.90
5	Others, Please specify a) HRA b) Medical c) LTA d) Leave Salary e) Contribution to PF	7.80 3.04 3.68 3.68 0.00	4.14 3.29 3.68 3.68 4.74	11.94 6.33 7.36 7.46 4.74
	Total (A)	60.13	64.02	124.15
	Ceiling as per the Act			124.18

B. Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Fee for attending Board/Committee Meetings (in lacs)	Commission) (in lacs)	Others, please specify (₹ in lacs)	Total Amount (₹ in lacs)
1.	Independent Directors				
	Prof. R. S. S. Mani	2.28	-	-	2.28
	Mr. C. B. Chhaya	1.70	-	-	1.70
	Mr. B. V. Dholakia	2.30	-	-	2.30
	Total (1)	6.28	-	-	6.28

2.	Other Non-Executive Directors				
	Mrs. Nitya Mirchandani(appointed w.e.f. 30.05.2014)	1.30	-	-	1.30
	Total (2)	1.30	-	-	1.30
	Total (B)=(1+2)	7.58	-	-	7.58
	Total Managerial Remuneration	Rs. 131.73 Lakhs			

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTB

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (₹ in lacs)
		Chief Financial Officer	Company Secretary	
		Mr. S. Ramamurthy (₹ in lacs)	Mr. Qaiser P. Ansari (₹ in lacs)	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961	15.76	12.65	28.41
	(b) Value of Perquisites u/sec 17 (2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17 (3) of Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	a. as a % of profit			
	b. others, specify			
5	Others, Please specify			
	a) HRA	4.73	3.80	8.53
	b) Conveyance	2.80	1.03	3.83
	c) Medical	0.35	0.24	0.59
	d) LTA	1.26	1.01	2.27
	e) Leave Salary	1.26	0.54	1.80
	f) Bonus	1.26	1.01	2.27
	g) Incentive	5.85	1.87	7.72
	h) Contribution to PF	1.89	1.52	3.41
	Total	35.16	23.67	58.83

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES (Under the Companies Act) :

There were no penalties, punishment or compounding of offences for breach of any Section of Companies Act against the Company or its Directors or other Officers in default, if any, during the year ended 31st March, 2016.

For and on behalf of the Board,

Place: Mumbai
Date: 11th August, 2016

Dr. Jimmy Mirchandani
Chairman & Managing Director
DIN-00239021

**SECRETARIAL AUDIT REPORT
FOR THE YEAR ENDED MARCH 31, 2016**

To
The Members
Aries Agro Limited
Aries House, Plot No. 24
Deonar, Govandi(E)
Mumbai - 400 043

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good Corporate Practices by Aries Agro Limited, (hereinafter called the Company). Secretarial Audit was conducted in the manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representative during the conduct of Secretarial Audit, I hereby report that in my opinion the Company has during the year ended 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the year under review, according to the provision of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 an the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") to the extent they are applicable to the company
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations 1993 regarding the Companies Act and dealing with client;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") were not applicable to the company
 - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 read with the SEBI (Share Based Employee Benefits) Regulations, 2014
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vii) Other laws specifically applicable to the company namely :-
 - The Insecticides Act, 1968 and
 - The Fertilizer Control Order, 2011

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards Issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc., mentioned above :-

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

The company has formulated a Compliance Management System to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, the implementation of which was completed during the year under review. Prima facie these systems and processes in the company are adequate and are commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the company has not undertaken any action having a major bearing on the company's affairs in pursuance of the above referred laws.

PLACE : MUMBAI
DATE : 11th August, 2016

A SEKAR
COMPANY SECRETARY
ACS 8649 CP 2450

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, followed by me provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records, Books of Accounts and records pertaining to direct and indirect taxation of the company, which I believe are the domain of other professionals on whom the responsibility is entrusted by the provisions of the Companies Act, 2013.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

PLACE : MUMBAI
DATE : 11th August, 2016

A SEKAR
COMPANY SECRETARY
ACS 8649 CP 2450

REPORT ON CORPORATE GOVERNANCE

1. Corporate Governance Philosophy

The Company's Corporate Governance is aimed at ensuring Business Sustainability by striking a balance between Economic and Social goals and between Individual and Corporate goals. The Corporate Governance framework is to encourage the efficient use of resources, maintain an accountability and compliance of Legal System with a view to enhance value of all the Stakeholders. In compliance with the disclosure requirements of Clause 49 of the Listing Agreement till 31st October, 2015 and and Schedule V to the Regulation 34 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") applicable effective December 1, 2015, the details are set out below:-

2. BOARD OF DIRECTORS

(A) Board Composition

The Board of Directors of the Company ('the Board') consists of 6 Directors, headed by an Executive Chairman and out of which Four (4) are Non Executive Directors of which Three(3) are Independent Directors and one is Woman Director. The Independent Directors are eminent professionals, with experience in, Management and Strategy, Human Resources, Banking, Corporate Laws etc. Composition of the Board and category of Directors are as follows:

Category	Name of the Directors
Promoter- Executive Directors	Dr. Jimmy Mirchandani Chairman & Managing Director
	Dr. Rahul Mirchandani Executive Director
Promoter- Non-Executive Directors	Mrs. Nitya Mirchandani
Independent- Non-Executive Directors	Prof. R.S.S. Mani
	Mr. Chakradhar Bharat Chhaya
	Mr. Bhumitra Vinodchandra Dholakia

(B) Attendance and Other Directorships

Attendance of Directors at Board Meetings, last Annual General Meeting and number of Directorships and Chairmanships/ Memberships of Committees of each Director in various Companies as on 31st March, 2016 is as follows:-

Name of the Director & Designation and category	Attendance of Meetings during 2015-16		Directorship in other Public Companies incorporated in India	No. of Membership(s)/ Chairmanship(s) of Board Committees in other Companies	Inter Se Relationship
	Board Meetings Attended (Total 5 (five) Held)	Last AGM held on 30 th September, 2015			
Dr. Jimmy Mirchandani Chairman & Managing Director (Promoter)(CMD)	5	Yes	2	NIL	Brother of ED
Dr. Rahul Mirchandani Executive Director (Promoter)(ED)	5	Yes	3	NIL	Brother of CMD and Husband of NED
Prof. R. S. S. Mani Director Non Executive (Independent)	5	Yes	NIL	NIL	N.A.
Mr. Chakradhar Bharat Chhaya Director Non Executive (Independent)	5	Yes	3	5 (including 2 as Chairman)	N.A.
Mr. Bhumitra Vinodchandra Dholakia Director Non Executive (Independent)	5	Yes	2	5 (including 3 as Chairman)	N.A.
Mrs. Nitya Mirchandani Director Non-Executive (Promoter)(NED)	5	Yes	NIL	NIL	Wife of ED

None of the Directors holds office in more than Seven Listed Companies as an Independent Director. None of the Whole Time Directors serve as an Independent Director in more than three Listed Companies. None of the Directors on the Board holds the office of Director in more than 15 Companies.

(C) Board Meetings

The Agenda and Background notes with supporting are circulated to the Directors well in advance of the Board Meetings and additional items, if any, are tabled in the course of the Board Meetings. During the year information as mentioned in Regulation 17(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been placed before the Board for its consideration. The minutes of all the Committees of the Directors are placed before the Board and noted by them.

Five Board Meetings were held during the year, on 28.05.2015, 11.08.2015, 22.09.2015, 06.11.2015 and 12.02.2016. The necessary quorum was present at all the Meetings.

The gap between two board meetings did not exceed four months. Every Quarter there was a Board Meeting as required under the Secretarial Standard-1 on the Board Meetings.

The terms and conditions of the appointment of Independent Directors are disclosed on the Web Site of the Company.

During the year a separate Meeting of the Independent Directors was held inter-alia to review the performance of Non-Independent Directors and the Board as a whole.

The Board periodically reviews compliance reports of all laws applicable to the Company.

(D) Code of Conduct

The Company has adopted a Code of Conduct for the Members of the Board and the Senior Executives in compliance with the provision of Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the members of the Board and the Senior Management Personnel have affirmed compliance to the Code of Conduct as on 31-03-2016, and a declaration to that effect signed by the Chairman & Managing Director is attached and forms a part of this Report.

BOARD COMMITTEES

3. AUDIT COMMITTEE

Two third of the Members of the Committee are Non-Executive and Independent Directors. The Chairman of the Audit Committee remained present at the previous Annual General Meeting. All the Members of the Audit Committee are professionals and financially literate within the meaning of Clause 49 of the Listing Agreement with the Stock Exchanges and Regulation 18 (1) (c) of the Listing Regulations.

(i) The terms of reference of the Audit Committee :

The terms of reference of the Audit Committee are in accordance with Clause 49 (III) (D) of the Listing Agreement and Part C of Schedule II to the Regulation 18 (3) of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The Committee acts as a link between the Management, Auditors and Board of Directors of the Company and has full access to financial information.

Recommendations of the Audit Committee, if any, are considered and implemented by the Board from time to time.

(ii) Composition, Name of Members and Chairperson

The Audit Committee comprises of the following Directors:

Prof. R. S. S. Mani : Chairman (Independent Director)*

Dr. Rahul Mirchandani : Member (Non-Independent Director)

Mr. Bhumitra V. Dholakia : Member (Independent Director)

* *Mr. B. V. Dholakia is the Chairman w.e.f. 01.04.2016. There is no change in the composition of the Committee.*

The Chairman of the Audit Committee remains present at the Annual General Meeting. The previous Annual General Meeting of the Company was held on 30th September, 2015 and was attended by Prof. R. S. S. Mani, Chairman of the Audit Committee.

(iii) Meetings and Attendance during the year

The Audit Committee met 5 times during the year on 28.05.2015, 11.08.2015, 22.09.2015, 06.11.2015 and 12.02.2016. Not more than four months had elapsed between any two meetings. The necessary quorum was present at all the Meetings.

The attendance of each member of the Committee is given below:

Name of the Director	No. of meetings attended(held)
Prof R. S. S. Mani	5(5)
Dr. Rahul Mirchandani	5(5)
Mr. Bhumitra V. Dholakia	5(5)

The Statutory Auditors, Internal Auditors, Cost Auditors, Secretarial Auditors and Chief Financial Officer are permanent invitees to the meetings of the Committee. The Company Secretary is the Secretary of the Committee.

4. NOMINATION AND REMUNERATION COMMITTEE

The Company has a Nomination and Remuneration Committee of Directors. The scope of the Nomination and Remuneration Committee is as per the amended provisions of the Listing Regulations.

(i) **The Terms of Reference of the Nomination and Remuneration Committee are as under:**

1. To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. To formulate criteria for evaluation of Independent Directors and the Board;
3. to devise a policy on Board diversity;
4. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

(ii) & (iii) **Composition, Name of members, Chairperson & Attendance during the year**

Nomination and Remuneration Committee consists of Prof. R. S. S. Mani, Mr. Chakradhar Bharat Chhaya and Mr. Bhumitra V. Dholakia all Independent Directors, as members. Prof R. S. S. Mani is the Chairman of the Committee. During the Financial Year 2015-16, the Committee met once on 11.08.2015.

The attendance of each member of the Committee is given below:

Name of the Director	No. of meetings attended(held)
Prof R. S. S. Mani	1(1)
Mr. C. B. Chhaya	1(1)
Mr. Bhumitra V. Dholakia	1(1)

**Mr. C. B. Chhaya is the Chairman w.e.f. 01.04.2016. There is no change in the composition of the Committee.*

(iv) The Company does not have any Employee Stock Option Scheme.

(v) **Remuneration Policy**

The Remuneration Policy for Working Directors is in line with the other peer Companies and reviewed periodically. The payment of remuneration is duly approved by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee and subsequently confirmed by the Shareholders.

The Nomination and Remuneration Policy of the Company is displayed on Company's web-site i.e. www.ariesagro.com.

(vi) **Details of Remuneration paid to the Directors for the year ended 31st March 2016.**

i) Managing Director and Executive Director.

The Agreements with the Chairman & Managing Director and Executive Director are for a period of three Years from 01.10.2015 to 30.09.2018.

The total remuneration paid to the Managing Director and Executive Director during the year 2015-16 was as under:

(Rupees)

Name	Salary	Commission	Contribution to Provident Fund/ Gratuity	Total
Dr. Jimmy Mirchandani Chairman & Managing Director	57,68,000	2,45,000	--	60,13,000
Dr. Rahul Mirchandani Executive Director	56,83,002	2,45,000	4,73,760	64,01,762

Notes:

- a) The Agreements with the Managing Director, and Executive Director are for a period of three years upto 30th September, 2018. Either party to the Agreement is entitled to terminate by giving the other party a notice of 3 months.
 - b) The Managing Director and Executive Director are entitled to compensation for loss of office in accordance with and subject to restrictions laid down under Section 318 of the Companies Act 1956/Sections 197 & 202 of the Companies Act 2013.
 - c) Presently, the Company does not have a scheme for grant of Stock Options to its Working Directors
 - d) The Managing Director and Executive Director are entitled to Commission within the overall limit prescribed under Section 197 of the Companies Act, 2013.
- ii) The Non Executive Directors are not entitled to any Remuneration except payment of Sitting Fees for attending the Meetings of Board of Directors and Committees thereof. During the year 2015-16, the Company has paid total Sitting Fee of Rs. 7,57,500/- to Non Executive Directors as under:
- | | |
|---------------------|-----------------|
| Prof. R. S. S. Mani | Rs. 2,27,500.00 |
| Mr. C. B. Chhaya | Rs. 1,70,000.00 |

Mr. B. V. Dholakia Rs. 2,30,000.00

Mrs. Nitya Mirchandani Rs. 1,30,000.00

iii) Details of Equity Shares of the Company held by the Directors as on 31st March, 2016 are given below:

Name of the Directors	Number of Equity Share
Executive Directors	
Dr. Jimmy Mirchandani	35,24,830
Dr. Rahul Mirchandani	26,23,221
Non-Executive Directors	
Prof. R. S. S. Mani	NIL
Mr. C. B. Chhaya	NIL
Mr. Bhumitra V. Dholakia	NIL
Mrs. Nitya Mirchandani	3,000

The Company has not issued any Convertible Debentures.

5. STAKE HOLDERS RELATIONSHIP COMMITTEE

- The has a Stake Holders Relationship Committee pursuant to provisions of Section 178(5) of the Companies Act, 2013 and Listing Regulations.
- The Stake Holders Relationship Committee has been constituted to specifically look into redressing the Shareholders and Investors' Complaints.
- The Committee met once during the year on 12th February, 2016.
- The Composition of the Stake Holders Relationship Committee and details of Meetings attended by its Members are given below:

Name & Position	Category	Number of Meetings during the Financial Year 2015-15	
		Held	Attended
Prof. R. S. S. Mani Chairman	Independent, Non-Executive	1	1
Dr. Jimmy Mirchandani Member	Non-Independent, Executive	1	-
Dr. Rahul Mirchandani Member	Non-Independent, Executive	1	1

* Mr. C. B. Chhaya was inducted in place of Prof. R. S. S. Mani and was appointed as Chairman of the Committee.

As per Regulation 46 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 the exclusive E-mail id of the Investor Grievance Department of the Company is investorrelations@ariesagro.com

- The Company has always valued Customer relationship. This philosophy has been extended to Stakeholder Relationship.
- Name & Designation and Address of Compliance Officer:**
Mr. Qaiser Parvez Ansari, Company Secretary or in his absence Mr. S. Ramamurthy, Chief Financial Officer is designated as Compliance Officer of the Company.
Aries House, Plot No. 24, Deonar Govandi(E), Mumbai-400 043
Phone No. 022 2556 4052/53 Fax No. 022 2556 4054/25571711
- A statement of various Complaints received and cleared by the Company during the year ended on 31st March, 2016 is given below:

	Nature of Complaint	Opening	No. of Complaints Received	Redressed	Pending
		NIL	NIL	NIL	NIL
	TOTAL	NIL	NIL	NIL	NIL

- The "SCORES" website of SEBI for redressing of Grievances of the investors is being visited at regular intervals by the Company Secretary and no Complaint was received during the Financial Year 2015-16 through SCORES.
- As required by the Listing Regulations the E-mail ID of the Investor Grievance Department of the Company is investorrelations@ariesagro.com.
- The Web Site address of the Company is www.ariesagro.com.

5A. OTHER COMMITTEES (VOLUNTARY DISCLOSURE AND COMPLIANCE)

a) Treasury Committee

Composition of the Committee

The Treasury Committee was constituted by the Board of Directors of the Company at their meeting held on 28th January, 2010 to consider and approve financial needs (borrowings of the Company from time to time and negotiate the Terms and Conditions with the Banks/Financial Institutions, avail the Credit Facilities and finalize and sign Agreements, Deeds, Documents etc with the Banks/Financial Institutions.

The Committee consists of the following members:

Dr. Jimmy Mirchandani : Chairman

Dr. Rahul Mirchandani : Member

Mr. C. B. Chhaya : Member

b) Risk Management Committee

The Company is not required to have the Risk Management Committee as it does not fall under the Top 100 Companies as required by the Listing Regulations.

However, the Board of the Company has formed a Risk Management Committee to frame, implement and monitor Risk Management Plan for the Company.

During the year no Meeting of the Risk Management Committee was held.

The Composition of the Risk Management Committee is Dr. Jimmy Mirchandani, Chairman, Dr. Rahul Mirchandani Member and Mr. S. Ramamurthy. Member.

The Company has dissolved the Risk Management Committee as the Audit Committee has additional task to oversight in the area of Financial Risks and Controls. Major Risks identified by business and functions are systematically addressed through mitigating actions on continuing basis.

c) Corporate Social Responsibility (CSR) Committee

Corporate Social Responsibility(CSR) Committee of Directors as required under Section 135 of the Companies Act, 2013 was constituted on 2nd April, 2014 comprising of the following Directors:

i) Dr. Jimmy Mirchandani, Non-Independent, Executive

ii) Dr. Rahul Mirchandani, Non-Independent, Executive

iii) Mr. B. V. Dholakia, Independent, Non-Executive

The broad terms of reference of CSR Committee is as follows:

- (a) to formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;
- (b) to recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- (c) to monitor the Corporate Social Responsibility Policy of the Company from time to time.

During the year one Meeting of the CSR Committee was held on 10th June, 2015

The Composition of the CSR Committee and details of Meetings attended by its Members are given below:

Name & Position	Category	Number of Meetings during the Financial Year 2015-16	
		Held	Attended
Dr. Jimmy Mirchandani Chairman	Non-Independent, Executive	1	0
Dr. Rahul Mirchandani Member	Non-Independent, Executive	1	1
Mr. B. V. Dholakia	Independent, Non-Executive	1	1

6. GENERAL BODY MEETINGS

(i) and (ii) The date, time and venue of the last 3 General Body Meetings of the Company is given below:

Financial Year ended	Date	Time	Venue	Details of Special Resolutions
31 st March, 2013	30.09.2013	10.00 a.m.	The Chembur Gymkhana, 16 th Road, Chembur, Mumbai-400 071	Alteration of Articles of Association to align it with the provisions of Clause 203 of the Companies Bill.
31 st March, 2014	26.09.2014	10.00 a.m.	The Chembur Gymkhana, 16 th Road, Chembur, Mumbai-400 071	1. Authorisation for Borrowing Money under Section 180(1)(c) of the Companies Act, 2013 2. Authorisation for creation of Charges on the assets of the Company under Section 180(1) (a) of the Companies Act, 2013.
31 st March, 2015	30.09.2015	10.00 a.m.	The Chembur Gymkhana, 16 th Road, Chembur, Mumbai-400 071	1. Re-appointment of Dr. Jimmy Mirchandani as the Managing Director and revision in remuneration for a period of 3(three) Years commencing from 1st October, 2015 upto and inclusive of 30 th September, 2018. 2. Re-appointment of Dr. Rahul Mirchandani as the Executive Director and revision in remuneration for a period of 3(three) Years commencing from 1st October, 2015 upto and inclusive of 30 th September, 2018.

(iii) to (iv) **No Postal ballot was conducted during the year under review. No Extra Ordinary General Meeting was held.**

(v) And (vi) At the forthcoming Annual General Meeting there is no Item on the Agenda requiring to be passed by Postal Ballot. Hence, no need to specify the procedure for Postal Ballot.

7. DISCLOSURES

(i) Related Party Transactions

During the year under review, besides the transactions reported in Notes to the Accounts of the Annual Report, there were no other Related Party Transactions with the Promoters, Directors and Management that had a potential conflict with the interest of the Company at large.

The Board has approved a Policy for Related Party Transactions.

All the transactions with Related Parties are periodically approved by the Audit Committee. The Register of Contracts detailing transactions in which Directors are interested is placed before the Board at every Meeting for its approval. Transactions with Related Parties, as per requirements of Accounting Standard 18 are disclosed in Note No. 27-B to the Accounts in the Annual Report and they are not in conflict with the interest of the Company at large.

(ii) Compliances by the Company

There have been no instances of Non-Compliance on any matter with the Rules and Regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other Statutory Authority relating to the Capital Markets during the last three years.

(iii) Whistle Blower Policy: (Vigil Mechanism)

The Company has adopted a Whistle Blower Policy and established the necessary Vigil Mechanism for Employees and Directors to report concerns about un-ethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said Policy has been put up on the web site of the Company. There is one of the item at every Audit Committee Meeting to review any complaint received under Vigil Mechanism.

(iv) Compliance with Mandatory and Non-Mandatory Items

The Company has complied with the mandatory requirements regarding the Board of Directors, Audit Committees and other Board Committees and other disclosures as required under the provisions of the Listing Regulations. The status of compliance in respect of non-mandatory requirements of Listing Regulations is as follows:

- Maintenance of the Chairman's Office:** The Company has an Executive Chairman and the office provided to him for performing his executive functions is also utilized by him for discharging his duties as Chairman. No separate office is maintained for the Non-Executive Chairman of the Audit Committee but Secretarial and other assistance is provided to him, whenever needed, in performance of his duties.
- Tenure of Independent Directors:** All three Independent Directors have been appointed for a term of 5(five) years in the Forty Fourth Annual General Meeting held on 26th September, 2014 and will hold office upto 25th September, 2019.

- (c) **Remuneration Committee:** The Company has set up a Nomination and Remuneration Committee consisting of three Non Executive Independent Directors. Please see the paragraph on Nomination and Remuneration Committee.
- (d) **Shareholders' rights:** Un-Audited Quarterly Financial Results and Summary of Significant Events are posted on the website of the Company.
- (e) **Audit Qualification:** The Auditors remarks if any are explained in the Board's Report and necessary actions are also taken by the Company when required. The Company shall endeavor to have unqualified Financial Statements. There is no qualification in the Auditors Report in the current year.

There have been no qualifications by the Auditors in their report on the Accounts of the Company. The Company shall endeavor to continue to have unqualified financial statements.

- (f) **Separate posts of Chairman and CEO—**The Articles No. 179 of the Articles of Association permits the Managing Director to hold the office of the Chairman.
- (g) **Reporting of Internal Auditor** Partner of the firm of Internal Auditor attends the meetings of the Audit Committee regularly and directly inter-acts with the Audit Committee.
- (h) **Web link where Policy for determining Material Subsidiaries is disclosed**
The Company has not formulated the Policy as its three Indian Subsidiaries have no activities.

- (i) **Web link where Policy on dealing of with Related Party Transactions:**

The web link for Policy dealing with Related Party Transactions is at www.ariesagro.com.

- (j) **Disclosure of Commodity Price Risks and Commodity Hedging Activities**

Not Applicable

- (k) **CMD/CFO Certification**

Chairman & Managing Director/Chief Executive Officer and Chief Financial Officer have issued necessary certificate pursuant to the provisions of Listing Regulations and the same is annexed and forms part of the Annual Report.

- (l) **Declaration regarding Code of Conduct**

The Members of the Board and Senior Management Personnel have affirmed the Compliance with the Code applicable to them during the year ended 31st March, 2016. The Annual Report of the Company contains a Certificate by the Chairman and Managing Director in terms of Listing Regulations based on compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management Personnel.

- (m) **Reconciliation of Share Capital Audit**

A qualified Practicing Company Secretary carried out a Share Capital Audit to reconcile the total admitted Equity Share Capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and Listed Equity Share Capital. The Audit Report confirms that the total issued/paid-up capital is in agreement with the total number of shares in the Physical form and total number of Dematerialized shares held with NSDL and CDSL.

- 8. **Non Compliance of any requirement of Corporate Governance Report of sub-paras (2) to (7) above**

The Company has complied with all mandatory items of the clause 49 of the Listing Agreement as applicable till 30th November, 2015 and Listing Regulations from 1st December, 2015 onwards. The Company has executed a new Listing Agreement with BSE Ltd and the National Stock Exchange of India Ltd thus complying with Regulation 109 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- 9. **Adoption of Discretionary requirements as specified in part E of Schedule II of SEBI(Listing Obligation and Disclosure Requirements) Regulations, 2015.**

The Company complied with all the discretionary requirements as specified in Part E of Schedule II of SEBI(Listing Obligation and Disclosure Requirements) Regulations, 2015.

- 10. As per point 13 of Part C of Schedule V to the Listing Regulations, the Company has made disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 on the website of the Company – www.ariesagro.com.

11. SUBSIDIARY COMPANIES

The Audit Committee reviews the Consolidated Financial Statements of the Company and the Investments made by its un-listed Subsidiary Companies. The Minutes of the Board Meetings along with Report on Significant developments of un-listed Subsidiary Companies are periodically placed before the Board of Directors of the Company.

12. MEANS OF COMMUNICATION

Means of Communication:

(i) Quarterly/Half-yearly and Yearly Financial Results

The Quarterly/Half-Yearly and Annual results of the Company are published in the Newspapers and posted on the website of the Company at www.ariesagro.com. The Quarterly and Annual results are generally published in The Financial Express and Apla Mahanagar. The Company's Financial Results are sent in time to Stock Exchanges so that they may be posted on the Stock Exchanges' website.

(ii) Newspaper where results are published

The Company usually publishes its financial results in following newspaper

1. The Financial Express
2. Apla Mahanagar

(iii) Company's Corporate Website

The Company's website is a comprehensive reference on Aries Agro Management, Products, Investor Relations, Clients, etc. The section on "Investors' Relations" serves to inform the Stakeholders, by giving complete financial details, Corporate Governance, Composition of Board, Contact Information relating to our Registrar and Transfer Agents, etc.

Quarterly Report on Corporate Governance Listing Regulations have been submitted to Stock Exchange(s) as follows:

Quarterly Report for the quarter ended	Submitted to BSE Ltd. Through their portal	Submitted to National Stock Exchange of India Ltd through NEAPS
30 th June, 2015	1 st July, 2015	1 st July, 2015
30 th September, 2015	7 th October, 2015	7 th October, 2015
31 st December, 2015	6 th January, 2016	6 th January, 2016
31 st March, 2016	6 th April, 2016	6 th April, 2016

(iv) Release of Official News

The Company intimates to the Stock Exchange any Official News and places on its websites also.

(v) Presentation to Institutional Investors or to analysts

There is no Official News release displayed on the website. The Company's last presentation to Institutional Investors/Equity Analyst is posted on the website.

(vi) Corporate Filing and Dissemination System (CFDS), BSE Online and NSE Electronic Application Processing System (NEAPS) –

In accordance with Listing Regulations, all disclosures and communications to BSE Limited are done electronically through BSE's Online portal and to the National Stock Exchange of India Limited are done electronically through NSE's NEAPS portal.

13. GENERAL SHAREHOLDERS INFORMATION

(i) Annual General Meeting

The 46th Annual General Meeting of the Shareholders will be held on Friday, 30th September, 2016 at 10.00 a.m.

Venue: The Chembur Gymkhana, 16th Road, Chembur, Mumbai – 400 071.

(ii) Financial Calendar:-

For the year ending 31st March, 2016 the Financial Results will be announced on:

- First Quarter : On or before 14th August, 2016
Half year : On or before 14th November, 2016
Third Quarter : On or before 14th February, 2017
Yearly : On or before 30th May, 2017

(iii) Date of Book Closure: - Saturday, 17th September, 2016 to Friday, 30th September, 2016 (both days inclusive)

(iv) Dividend, if any, declared by the Members in the ensuing Annual General Meeting will be paid on 26th October, 2016.

(v) Unclaimed Dividend/IPO Refund to Investor Education and Protection Fund

During the year under review, the Company has credited Rs. 2,97,297/-, being the Un-Claimed/Un-Paid Interim Dividend-2007-08, to the Investor Education and Protection Fund (IEPF) pursuant to Sections 205C of the Companies Act, 1956, read with the Investor Education and Protection Fund (Awareness and Protections of Investors) Rule, 2001.

Pursuant to Section 205A and 205C of the Companies Act, 1956 dividend which remains Un-Paid/Un-Claimed for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

(vi) The status of dividend remaining unclaimed is given hereunder:

Unclaimed Dividend	Status	Whether it can be claimed	Can be claimed from	Action to be taken
For the Financial Year 2007-08	Transferred to Investor Education and Protection Fund Account	No (As per Section 205C of the Companies Act, 1956, No claim shall lie against the Fund)	N.A.	N.A.
For the Financial Years 2009-10 to 2014-15	Lying in respective Unpaid Dividend Accounts	Yes	M/S Aarhi Consultants Private Limited, Registrars and Transfer Agents 1-2-285, Domalguda, Hyderabad-500 029 040-27634445/8111/27642217	Letter on plain paper

(vii) Pursuant to the provision of the Investor Education and Protection Fund (Uploading of Information Regarding Un-Paid/Un-Claimed amounts lying with Companies), Rules, 2012, the Company has hosted on its website i.e. www.ariesagro.com and on the web site of the Ministry of Corporate Affairs the details of the Unclaimed Dividend as on the AGM dated 30.09.2015.

(viii) The date of declaration of dividend in respect of Financial Years 2009-10 to 2014-15 and the last date for claiming such dividend is given in the table below:

Financial year	Date of Declaration	Rate	Last Date of Claiming payment from Aarhi Consultants Pvt. Ltd*	Due for Transfer to IEPF
2009-10	17 th September, 2010	15%	21st October, 2017	22nd October, 2017
2010-11 (Interim)	28 th January, 2011	10%	4 th March, 2018	5 th March, 2018
2010-11 (Final)	29 th September, 2011	10%	4 th October, 2018	5 th October, 2018
2011-12	28 th September, 2012	15%	3 rd October, 2019	4 th October, 2019
2012-13	30 th September, 2013	15%	5 th October, 2020	6 th October, 2020
2013-14	26 th September, 2014	20%	1st October, 2021	2nd October, 2021
2014-15	30 th September, 2015	20%	5 th October, 2022	6 th October, 2022

**Indicative dates. Actual dates may vary.*

(ix) The Company's Registrars have already written to the Shareholders and Depositors informing them about the due dates for transfer to IEPF for unclaimed dividends/ IPO Application Refunds. Attention of the stakeholders is again drawn to this matter through the Annual Report.

(x) Shareholders are requested to get in touch with the Registrars for encashing the unclaimed dividend amount, if any, standing to the credit of their account.

(xi) Listing: The Equity Shares of the Company are listed on BSE Ltd and National Stock Exchange of India Ltd.

(xii) ISIN NO. : INE298I01015

Script Code : BSE - 532935

NSE - ARIES

(xiii) **Listing Fee:** The Listing Fee for the financial year 2015-2016 has been paid to the above Stock Exchanges.

The Listing Fee for the financial year 2016-2017 have also been paid to the above Stock Exchanges.

(xiv) **Market Price Data: high, low during each month in the last Financial Year.**

Monthly Share Price Data of the Company's shares on BSE for the year ended 31st March, 2016

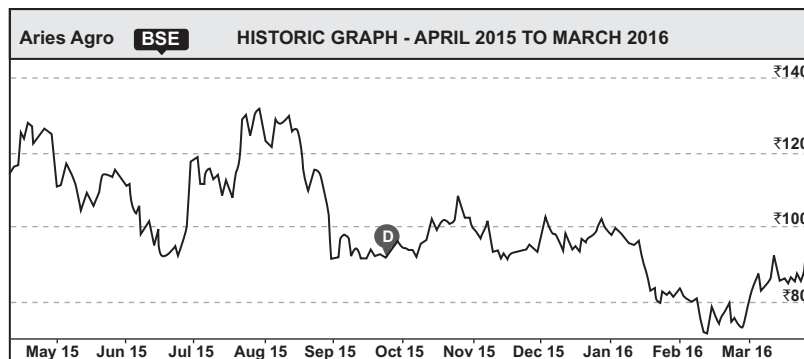
Month	Highest		Lowest	
	Rate (Rs.)	Date	Rate (Rs.)	Date
April, 2015	129.80	21.04.2015	106.00	01.04.2015
May, 2015	119.20	22.05.2015	103.00	07.05.2015 & 08.05.2015
June, 2015	127.90	25.06.2015	90.10	12.06.2015
July, 2015	136.40	21.07.2015	105.70	13.07.2015
August, 2015	132.40	05.08.2015	87.80	25.08.2015
September, 2015	103.75	22.09.2015	88.50	08.09.2015
October, 2015	108.25	23.10.2015	91.20	01.10.2015
November, 2015	108.00	04.11.2015	89.00	16.11.2015
December, 2015	106.55	01.12.2015	92.15	09.12.2015
January, 2016	102.25	04.01.2016	79.10	20.01.2016
February, 2016	83.90	01.02.2016	63.75	11.02.2016
March, 2016	95.80	14.03.2016	81.00	09.03.2016

Monthly Share Price Data of the Company's shares on NSE for the year ended 31st March, 2016

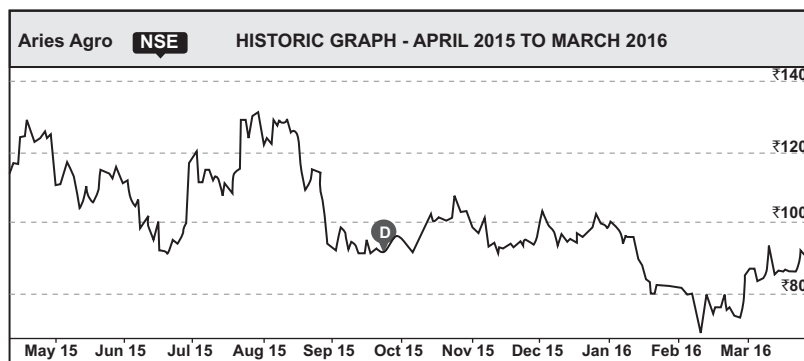
Month	Highest		Lowest	
	Rate (Rs.)	Date	Rate (Rs.)	Date
April, 2015	132.95	13.04.2015	105.00	01.04.2015
May, 2015	118.90	04.05.2015 & 22.05.2015	103.10	08.05.2015
June, 2015	127.70	25.06.2015	90.00	15.06.2015
July, 2015	136.75	21.07.2015	105.85	13.07.2015
August, 2015	132.55	05.08.2015	87.00	25.08.2015
September, 2015	103.95	22.09.2015	88.60	08.09.2015
October, 2015	112.90	21.10.2015	91.00	01.10.2015
November, 2015	107.85	04.11.2015	88.15	09.11.2015
December, 2015	106.25	01.12.2015	92.20	09.12.2015
January, 2016	102.75	04.01.2016	78.05	21.01.2016
February, 2016	85.10	03.02.2016	64.55	11.02.2016
March, 2016	96.40	14.03.2016	73.15	01.03.2016

(xv) Performance in comparison to BSE & NSE Sensex

BSE NSE



BSE NSE



(xvi) Name and Address of the Registrar and Share Transfer Agents

AARTHI CONSULTANTS PVT LTD

Regd. Office

1-2-285 Domalguda, Hyderabad – 500029

Tel: 040 27638111 / 27634445 / 27642217 / 66611921 Fax: 040 27632184

Email: info@aarthiconsultants.com

(xvii) Share Transfer System

Aarthi Consultants Private Limited processes transfer of shares held in Physical form and sends to the Company.

The powers for approval of share transfers (physical) are delegated as under:

Upto 1000 Shares : Mr. S. Ramamurthy, Chief Financial Officer and Mr. Qaiser P. Ansari, Company Secretary,

1001 to 5000 Shares : Dr. Jimmy Mirchandani, Chairman & Managing Director or Dr. Rahul Mirchandani, Executive Director

above 5000 Shares : Share Holders/Investors Grievance Committee

If the relevant documents are in order and complete in all respects, the transfer of shares is effected and certificates are dispatched to the transferees within 15 days from the date of receipt.

The requests for dematerialisation of shares are processed by the Registrar and Share Transfer Agents and if all the documents are found to be in order, the same are approved by them within a period of 15 days.

(xviii) (1) Distribution of Share Holding as on 31st March 2016

Sr. No.	Category		Shareholders			Share Amount	
	From	To	Holders	Holders %	Shares	Amount	Amount %
1	1	5000	8429	83.94	1043578	10435780	8.02
2	5001	10000	823	8.2	644245	6442450	4.95
3	10001	20000	367	3.65	558133	5581330	4.29
4	20001	30000	138	1.37	352974	3529740	2.71
5	30001	40000	63	0.63	221935	2219350	1.71
6	40001	50000	72	0.72	342093	3420930	2.63
7	50001	100000	88	0.88	645216	6452160	4.96
8	100001	And above	62	0.62	9196165	91961650	70.72
	TOTAL		10042*	100	13004339	130043390	100

**Prepared based on the PAN*

(2) Distribution of shareholding according to categories of shareholders as on 31st March, 2016

Categories	No. of Shares	Amt. in Rs.	% to Total
Promoters	6857926	68579260	52.74
Directors (Independent)	--	--	--
Financial Institutions/ Banks	10943	109430	0.08
Mutual Funds / UTI	--	--	--
NRIs / OCBs/FIIs	162552	1625520	1.25
Other Bodies Corporate	895606	8956060	6.89
Public	5077312	50773120	39.04
Total	13004339	130043390	100.00

(xix) For the purpose of SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 2011, the following Companies are to be considered as Group Companies belonging to Promoters Group.

Sr. No.	Name of the Companies	Shareholding as on 31.03.2016
1.	Sreeni Agro Chemicals Ltd.	NIL
2.	Aries Marketing Ltd.	NIL
3.	Blossoms International Ltd.	NIL
4.	Aries East-West Nutrients Pvt. Ltd.	NIL

(xx) Subsidiary Companies

A list of Subsidiary Companies is given in Note No. 27-A of the Notes to Accounts forming part of the Annual Report.

All the Subsidiary Companies are Board managed. As the majority share holder, the Company has nominated its representative on the Board of Subsidiary Companies to monitor performance of such Companies. These are not material Subsidiaries as defined under Clause 49 of the Listing Agreement.

(xxi) Details of Demat Shares as on 31st March, 2016

Name of Depository	No. of Shareholders	No. of Shares	% of Capital
NSDL	6267	10090064	77.59
CDSL	3679	2605309	20.03
Sub-Total	9946	12695373	97.62
Physical Mode	277	308966	2.38
Grand Total	10223*	13004339	100.00

**Actual Count*

(xxii) The Company has not issued any GDR's/ ADR's, Warrants or any other convertible instruments.

(xxiii) Plant Location: -

Location	Address
Mumbai, Maharashtra	• ARIES House, Plot No. 24, Deonar, Govandi(E), Mumbai-400 043, Maharashtra
Hyderabad, Telangana	• 244-246, 250-252, IDA Phase-II, Pashamylaram, Patancheru Mandal, Medak Dist;502 307, Telangana
Chhatral, Gujarat	• 1202/1 & 1202/2, Village: Rajpur, Taluka: Kadi, Distt: Mehsana, 382 740, Gujarat
Lucknow Uttar Pradesh	• Plot No. 836, Banthara, Lucknow-Kanpur Highway, Sikandarpur, Tehsil & Distt. Lucknow, U. P., 227 101
Sharjah, UAE	• Golden Harvest Middle East FZC(a Subsidiary of Aries Agro Limited) Plot P3-04, Post Box No. 9267, Sharjah Airport International Free Zone(SAIF), Sharjah, UAE
Fujairah, UAE	• Amarak Chemicals FZC(a Subsidiary of Golden Harvest Middle East FZC thereby a Step Down Subsidiary of Aries Agro Limited) Al Hayl Industrial Area, P. O. Box 5283, Fujairah Free Zone(FFZ), Fujairah, UAE

(xxii)Address for Correspondence:

- i) Any query relating to the shares of the Company for Shares held in Physical Form and Shares held in Demat Form should be addressed to:

M/s. Aarthi Consultants Pvt. Ltd.
1-2-285 Domalguda, Hyderabad – 500029
Tel: 040 27638111 / 27634445 / 27642217 / 66611921
Fax: 040 27632184
Email: info@aarthiconsultants.com

- ii) For grievance redress and any query

Mr. Qaiser P. Ansari, Company Secretary & Compliance Officer OR Mr. S. Ramamurthy, Chief Financial Officer, at the following address

Aries Agro Limited
Aries House, Plot No. 24,
Deonar, Govandi (E) Mumbai – 400043
Tel: 022 25564052 / 53
Fax: 022 25564054
Email: investorrelations@ariesagro.com
Web Site: www.ariesagro.com

(xxv) SEBI toll-free helpline service for investors: 1800 22 7575/1800 266 7575 (available on all days from 9.30 a.m. to 5.30 p.m.)

CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

AUDITORS' CERTIFICATE

To the Members of Aries Agro Limited

We have examined the compliance of the conditions of Corporate Governance by Aries Agro Limited for the year ended 31st March, 2016, as stipulated in Listing Regulations.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's Management. Our examination has been limited to review of the procedures and implementation thereof adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations. It is neither an audit nor an expression of an 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 based on 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 Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Kirti D. Shah & Associates
Chartered Accountants

Kirti D. Shah
Proprietor
Membership No. 32371

Mumbai

Date: 11th August, 2016

Declaration by the Chairman & Managing Director to the Compliance of Code of Conduct

It is hereby declared that the Company has obtained from all the Members of the Board and Senior Management Personnel of the Company, affirmation that they have complied with the Code of Conduct of the Company for the Financial Year 2015-16.

Dr. Jimmy Mirchandani
Chairman & Managing Director
DIN-00239051

Date: 11th August, 2016

MANAGING DIRECTOR(MD) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION.

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Aries Agro Limited ("The Company") to the best of our knowledge and belief certify that :

- (a) We have reviewed the Financial Statements and the Cash Flow Statement for the Year ended on 31st March, 2016 and that to the best of our knowledge and belief we state that :-
 - i. These Statements do not contain any materially untrue statement or omit any material fact or contain any statement 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) We further state that to the best of our knowledge and belief there are no transactions entered into by the Company during the year, which are Fraudulent, Illegal or Violative of the Company's Code of Conduct. We hereby declare that all the Members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- (c) We are responsible for establishing and maintaining Internal Controls for Financial Reporting and for evaluating the effectiveness of the same over the Financial Reporting of the Company and have evaluated the effectiveness of Internal Control Systems of the Company pertaining to Financial Reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of Internal Controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
 - i. There have been no significant changes in the Internal Controls over Financial Reporting during the year.
 - ii. There have been no significant changes in the Accounting Policies made during the year and that the same has been disclosed in the Notes to the Financial Statements; and
 - iii. There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an Employee having significant role in the Company's Internal Control System over Financial Reporting.

Mumbai
11th August, 2016

Dr. Jimmy Mirchandani
Chairman & Managing Director
DIN-00239051

S. Ramamurthy
Chief Financial Officer
Membership No. ACA-31200

MANAGEMENT DISCUSSION AND ANALYSIS

FORWARD LOOKING STATEMENTS

This report contains forward looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results, are forward looking statements. These forward looking statements, which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives, are based on the current beliefs, assumptions, expectations, estimates, and projections of the Directors and Management of the Company, about the business, industry and markets in which the Company operates. These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, many of which are beyond Company's control and difficult to predict, that could alter actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not, and should not be construed, as a representation as to future performance or achievements of the Company. In particular, such statements should not be regarded as a projection of future performance of the Company. It should be noted that the actual performance or achievements of the Company may vary significantly from such statements.

OVERVIEW

OVERVIEW OF INDUSTRY:

The Company is part of the growing specialty plant nutrition industry which is a niche sector within the crop nutrition segment of agricultural inputs. During the year under review the agricultural input sector was adversely affected by deficient monsoon across the entire country and flood situation in few areas. Thus demand from farmers was severely restricted due to area under cultivation being constrained by poor rainfall. Most of the industry therefore was forced to hold high levels of inventory since stocks were prepared in anticipation of a normal season. Moreover, the fall in purchasing power and cash flow at the farm level also caused pressure on recovery of market outstandings during the entire year. The highly seasonal nature of the industry showed its impact during the year under review and also placed pressure on margins since companies were forced to lower margins to capture market and maintain market share.

MANUFACTURING BASE

The total capacity utilization currently stands at 49% of the total installed capacity of 84,600 MT p.a. in India. Our international manufacturing facilities at UAE have also maintained the capacity utilization of 36% of the total installed capacity overseas.

During the year, the Bangalore manufacturing unit was consolidated/merged with the Hyderabad factory and all the machineries was shifted as part of the cost management exercise. Manufacturing capacity was not reduced as a result of this shift in machinery.

HIGHLIGHTS & KEY EVENTS

HIGHLIGHTS

Financial Year 2015-16 was characterized by severely deficient monsoon with early onset followed by several weeks and months of rain deficiency. According to the Indian Meteorological Dept. 42%

of the country faced rain deficiency. The rainfall deficiency was as high as 52% in Maharashtra, 45% in Karnataka, 38% in East Uttar Pradesh, 20% deficiency in Bihar, 26% in Telangana, 28% in parts of Gujarat, 22% in Parts of Andhra Pradesh and Food Bowl states of Punjab – 36%, Haryana – 34% and West Up 36% also bore the brunt of below normal rains. This deficiency of rainfall meant stunted growth or withering of crops, pulses, cotton, oilseeds and cereals. Out of the 36 Meteorological subdivisions, 18 have seen deficient rains for two consecutive years. Back to back crop failures worsened the distress in the agricultural input sector leading to lack of adequate demand in both Kharif and Rabi season. These conditions resulted in 2.02% reduction in turnover of the Company. Though cost control measures were put in place, the high fixed costs and overheads resulted in 4.59% reduction in gross margins. Considering the adverse farming environment, increase in prices during the Financial Year 2015-16 was impossible. The Company withdrew one of its product from its portfolio. However, towards the end of the financial year we test launched two brands in selected pockets.

KEY EVENTS

The following were the key events during the year;

- 1) In April 2015 students from University of Applied Sciences, Switzerland had a study visit to our Mumbai Unit
- 2) Aries organized Workers get together for factory workers and also organized Family Day in Mumbai in May 2015.
- 3) Aries launched its first batch of Management Development Programme for top performers at KCT Business School in May 2015
- 4) Display contest was conducted in August 2015 across Maharashtra to showcase excellence in agri inputs merchandising.
- 5) In September 2015 Aries had industry interactive session on "Doing Business in India" with MBA students from Georgetown McDonough School of Business, USA.
- 6) Aries' first batch of executives graduated from KCT Business School in November, 2015
- 7) Aries also was involved in the mentorship of young entrepreneurs from Nagaland in rural and micro entrepreneurship opportunities in November 2015.
- 8) Aries conducted 'Aries 2020 Logo competition' in January 2016. Participation was opened for all staff and customers and their families and the results were declared based on online voting system for our Golden Jubilee Logo.
- 9) Aries conducted an innovation programme at Nirma University, Ahmedabad in January 2016

RECOGNITION

For eleven consecutive years Aries Quality Management System was audited and certified as NS-EN ISO 9001:2008 with zero non-compliance report showing complete adherence to international quality standards.

GLOBAL SOURCING

Aries has sourced 41% of its total raw materials from overseas suppliers located in Belgium, China, Malaysia, South America, Turkey, U.A.E., UK and U.S.A. Imports constitute 21% of our total purchases and our Company has identified a pool of reliable overseas suppliers.

COST MANAGEMENT

Financial year 2015-16 was characterized by heavily pressured cost structure. Though material cost remained stable, there was an increase in finance cost and fixed cost of the employee benefits remain unchanged.

Another cause of concern was the loss on account of foreign currency exchange rate fluctuations. Also during the second half of the year, the classification of certain products being imported by the Company under customs was changed resulting in higher levies which forced the company to produce the same locally. In order to cater to the market, production was restarted of some brands at the Hyderabad manufacturing unit. This partially overcame the foreign exchange fluctuation loss in the final few months.

Aries has always recognized that its business is working capital intensive and with the objective of reducing working capital load, the Company continues to take the following steps:

- i) Reducing number of brands to 63.
- ii) Sales depots were asked to maintain inventory of only the brands that provide them with 80% of their total turnover with the balance 20% being supplied on a need only basis.
- iii) As a result of working capital control being established the number of days of inventory and receivables have remained static
- iv) During the year 2015-16, six cases for cheque bouncing / payment default were disposed off resulting in recovery of overdue outstandings.

MAN POWER

During the previous financial year, the Company considered it prudent to reduce the man power employed in various areas. The manpower was reduced from 753 to 748 in the year under review. Considering how the season progresses in 2016-17, the Company shall make decisions on recruitment of staff. However, further recruitment of man power is now subject to prior approval and specific norms viz. return per person employed. These norms are set in consultation with the State Heads during the Annual Planning meetings.

GLOBAL DISTRIBUTION:

International sales have commenced in Australia, Brazil, Ecuador, New Zealand, Pakistan, Spain, Singapore, Sri Lanka, Taiwan, Trinidad, United Kingdom, United States of America, Vietnam, and Zambia, with supplies from Indian and UAE factories. Distributors have been appointed in Brazil, Cambodia, Ecuador, New Zealand, Sri Lanka and Vietnam, and we expect export and global sales to grow and form around 15% of the group revenues of the Company by Financial Year 2016-17.

OUTLOOK:

2016 monsoons are expected to be above normal and the Company is hopeful that there will be growth in revenues and consequent profits during the current FY 2016-17. In order to secure confirmed order book, the Company (for the first time in agri business in India) conducted All India Flash Sale and Booking Bazaar on 19th and 20th April, 2016 at the Bombay Stock Exchange, Convention Hall, Mumbai. Record breaking orders with payment instruments were collected totaling to Rs. 201.78 Crores within a 30 minute Flash Sale period. This will ensure that the Company is able to plan inventories and production as well as timely supplies to more than 400 dealers who participated in this unique one of its kind booking

bazaar. In the past, the Company has conducted similar flash sales on the state level and the average conversion of bookings to orders was approximately 75% to 80%. Assuming similar conversion on all India basis, this booking bazaar will result in definite increase in sales during the first half of the Financial Year. The Company is also increasing focus on non rain dependant activities including sales to aquaculture farmers, plantations and perennial crops in irrigated districts of the country.

The Company will introduce two new products namely K-phonic and Mobomin during the current Financial Year. However, it will focus on growing sales of the new products launched towards the end of 2015-16 namely Arisil, Calcomag and Calpro.

SEGMENTWISE / PRODUCTWISE PERFORMANCE

The Company has only one Reportable Segment in terms of Accounting Standard (AS-17) "Segment Reporting" specified in the Company's (Accounting Standard) Rules, 2006.

RISK MANAGEMENT & INTERNAL CONTROLS

RISK MANAGEMENT

The Company has a Risk Management Policy.

The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's management systems, organizational structures, processes, standards, code of conduct and behaviours together form the Aries Risk Management Systems (ARMS) that governs how the Company conducts its business and manages associated risks.

The Company has in place adequate Internal Financial Controls with reference to Financial Statements. During the year, such controls were tested and no reportable material weakness in the design or operations were observed.

INTERNAL CONTROL SYSTEM

The Company has an extensive system of internal controls to ensure optimal utilization of resources and accurate reporting of financial transactions and strict compliance with applicable laws and regulations. The Company has put in place sufficient systems to ensure that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are authorized, recorded and reported correctly.

THREATS AND OPPORTUNITIES

The external factors which could serve as possible threat to the business would include erratic spread of the rainfall and water availability in the reservoirs, fluctuations in oil and gas prices, foreign exchange rate fluctuations, shortages of key raw materials, pricing pressure, indirect and direct substitutes, etc.

Opportunities would include growth in product range as well as expansion into unserved markets in India and abroad. Increasing awareness levels amongst existing customers on balanced nutrition will increase number of products the farmers purchase from the Aries range.

FINANCIAL PERFORMANCE:

The Company's Sales Turnover for the financial year ended March 31, 2016 decreased to Rs. 22,937.93 Lakhs from Rs. 23,411.19 Lakhs in the previous year, reflecting a reduction of 2%.

Total expenses for the year was Rs. 22,041.65 Lakhs as against Rs. 22,054.34 Lakhs in the previous year.

Profit Before Tax decreased to Rs. 1,038.87 Lakhs during the year as against Rs. 1,509.13 Lakhs in the previous year.

Tax provision for the year was Rs. 378.10 Lakhs as against Rs. 294.80 Lakhs in the previous year which translates to 1.65 % on FY 15-16 Sales.

Profit After Tax for the year was Rs.639.16 Lakhs as against Rs. 1,181.28 Lakhs in the previous year which is 2.786 % of FY 15-16 Sales.

RESOURCES AND LIQUIDITY:

As on March 31, 2016, the net worth of the Company stood at Rs. 13,917.57 Lakhs as against Rs.13,513.19 Lakhs.

As on March 31, 2016, the Company had a Debt / Equity ratio of 0.88. The Company has not raised any Fixed Deposits from the public.

HUMAN RESOURCES:

As at the end of the financial year there were 748 employees under the permanent rolls and 150 plus under contract. We have an ongoing arrangement with few labour supplier organizations for our various locations.

We have 123 workers in our permanent employment and sizeable numbers on contract, working in our factories. The detailed breakup of the same is as under:

Sr. No.	Particular	Employees
1.	Skilled	30
2.	Semi-Skilled	6
3.	Unskilled	87
	Sub- Total	123
4.	Contract Labour	153
	TOTAL	276

The Department wise breakup of our manpower is as under:

Sr. No	Name of the Department	No. of Staff
1.	Directors	2
2.	Accounts, Personnel & Administration, Legal & Secretarial	148
3.	Production(Staff and Workers), R&D and Spray Dry Operators	173
4.	Sales	425
	TOTAL	748

HEALTH/ SAFETY/ENVIRONMENT SENSITIVITY

HEALTH THROUGH NUTRITION:

- The Company promotes “Balanced Nutrition as a National Imperative”, building resistance of crops to pests and diseases and hence lowering the usage of harmful and expensive pesticides

ENVIRONMENT SENSITIVITY:

- Aries has installed its first Solar Power Generation System at its manufacturing unit in Hyderabad. The system is operational since August, 2014 and has generated 104667 kws of power during the Financial Year 2015-16.
- All Aries products are based on the philosophy of “Use less chemicals and use safe chemicals” – low doses of chemically inert and cost effective nutrient complexes
- The entire range of Aries Chelates are environmentally safe

NON POLLUTING:

- All Aries factories have zero effluents and produce no harmful emissions.

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

CSR AT ARIES AGRO LIMITED

Aries continues its tradition of carrying out a range of activities that spread knowledge and adoption of farming best practices in the markets that Aries functions in. The Company has carried out a range of projects during the financial year 2015-16 in addition to some philanthropic activities.

FOCUS AREAS OF ENGAGEMENTS

SUPPORTING THE GIRL CHILD:

The company undertook several activities focused specifically on supporting school aged girls across India. This included

- Distribution of uniforms and sweaters to students of Kasor Kanya Shala, Anand Dist, Gujarat.
- Distribution of shoes to children of Zilla Parishad Prathamikshala, Nagpur.
- The company constructed Girl's washroom in Upper Primary Schools in Timmarajupalem and Kattubadivaripalem in the state of Andhra Pradesh.

EDUCATION:

- Aries supplied benches for classrooms and water purification systems in rural school, Warangal in the state of Telangana. Distributed computers to the students
- Distributed Beds and Pillows for tribal students of Kamaram Bheem Vanavasi Kalyan Parishad Hostel, Cherla Village & Mandal, Khammam Dist., Telangana
- We supported the physically handicapped students of Bresh School in Bhadrachalam, Khammam, Telangana by providing them with Cots, bed sheets, pillows and ceiling fans.

FARMERS CALL CENTRE:

The Company's Call Centre based in Vijayawada continued to provide answers to farmer's queries and provided direct interaction with consumers. During the year under review, 3578 number of farmers called the call center at Vijayawada and queries on integrated nutrient management, pest management, soil health and post harvest management, etc were answered by the three call center executives. In addition, the Company has added call center numbers on all literature and promotional materials and is extending the reach of this call center to other states across India.

SPREADING KNOWLEDGE:

Aries' extension team continues to strongly advocate good agricultural practices in all states of India. The activities are conducted under the supervision of Agronomist and Agricultural Research Institutions throughout the year. During the year under review 5889 knowledge dissemination activities including farmers meeting were undertaken impacting 68008 number of farmers. These sessions were conducted by team of 58 extension officials spread across 20 states.

Aries organized various state level farmer's conference at Andhra Pradesh, Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Gujarat, Karnataka, Rajasthan, Haryana, Uttar Pradesh, Himachal Pradesh, Punjab, Bihar, Odisha, Jharkhand, West Bengal, Tamil Nadu, Kerala and Jammu & Kashmir. The unique feature of these events have been that they had participation on a common intellectual platform from top government officials, opinion leaders, academia, research scholars, scientists, agribusiness students and farmers from across the states.

Large farmers training programme on good agricultural practices exposed the farming community to latest plant nutrition concepts

and also focused on socially and economically backward areas. Farmers meeting (RythuAvagahanaSadassu) at INM, Dhone, Andhra Pradesh were conducted by senior agronomists from the Acharya N. G. Ranga Agricultural University and Aries Agro Limited.

A farmers training programmewas also held at Ramakrishna Recreation Club Auditorium, Vuyyuru, Andhra Pradesh where experts and scientists discussed sugarcane related good agricultural practices.

Farmers awareness training programmes were conducted in Nawalpur, Jhapa, Narayanghat, Sundarjal, Sankhu and Kathmandu areas of Nepal where crop management of hilly region crops was discussed in detail.

SOIL TESTING SERVICES

The Company has organized during the year soil testing camps in North Karnataka, Andhra Pradesh and Telangana using Mobile Soil Testing Kits which analyse 10 parameters including pH, EC, NPK levels in soil, micro nutrient levels including Zinc, Ferrous, Boron, Organic Carbon, etc. Approximately 1959 Soil Health Cards were issued to farmers providing an additional service in order that they understand the specific nutrient needs of their farms.

SWACH BHARAT MISSION:

- Aries participated in the Swach Bharat Mission at the Child and Police Project School, Guntur. The Guntur Municipal Commissioner and other philanthropists in the area actively participated along with the Company in various projects related to cleaning of Guntur town and its surroundings.
- Constructed toilets for women and kids under the Women & Kid Toilet Project, Government High School, M. C. Pally, Krishnagiri Dist., Tamil Nadu.
- Constructed toilet at Kalivelapalem Village, Nellore, Andhra Pradesh.

Access to clean water

- Considering the requirement of potable water, hand pumps were installed by the Company for providing access to clean water at HariparDist, Arariya, Bihar
- Provided water purifier system to students of Prathmik shala Mangalpur Dist, Ahmednagar, Maharashtra.
- Water coolers and water containers were also distributed at K. L. International School, Padrauna, Uttar Pradesh and at Kasturba Gandhi Balika Vidyalaya, Bhavi Bilda, Rajasthan.

OTHER CSR ACTIVITIES:

- In addition, a series of awards were distributed in R. A. Podar College of Commerce & Economics, Matunga, Mumbai for the meritorious students in the Bachelor of Management Studies programme. These awards in the name of Aries' founder, Late Bala Mirchandani is being distributed since the last 15 years. 56 students received these awards at the College Annual Day.
- The Company also provided meals to the residents of missionaries of Charity, charitable organization running food programme for Premdaan, Mother Theresa Ashram, Airoli, Navi Mumbai.
- Donated Water Storage Tank, Dining Table & Chairs to Mother Teresa Welfare Society, Fishermen Village besides Bay of Bengal. Also provided meals to the old people at Mother Teresa Welfare Society
- Provided Double Decker Cots, Single Beds, Pillows, Bed Sheets with Pillow cover for Chaitanya Mahila Mandal, Secunderabad, Telangana.

- Distributed tricycles to physically handicapped children at Vinukonda, Guntur Dist, Andhra Pradesh.

INFLUENCER RELATIONS

During the year the Company was represented at various industry bodies including Confederation of Indian Industry's Agricultural Council, Confederation of Indian Industry's Innovation Council, Indian Micro-Fertilizers Manufacturers Association (IMMA) and Fertilizer Association of India (FAI). At these forums, the Company advocated that balanced plant nutrition being recognized as a national imperative. It has also conducted various sessions with key influencers to promote the systematic spread of world class farmers' education and skilling programmes. The Company believes that the spread of knowledge is an essential part of its responsibility towards society development and nation building.

Through our knowledge sharing activities and continuous connect with Research Institutions, our commitment to use knowledge as a catalyst for building agricultural productivity remains steadfast.

In addition, our products remain environmentally sensitive and we ensure minimum adverse reactions to the soil and related eco systems.

Through its products and passion, Aries continually demonstrates that it is a responsible corporate citizen, working hard to retain the delicate balance of nature and the development of communities where it works and grows.

CSR EXPENDITURE DURING THE YEAR 2015-15

Head of Expense	Amount (Rs.)
Scholarship	1,78,850
Distribution of Books	52,500
Farmers Education	14,92,599
Farmers Call Centre	2,37,784
Infrastructure Support	13,92,230
TOTAL	33,53,963

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ARIES AGRO LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **ARIES AGRO LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit

procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2016;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Sub section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from the branches not visited by us].
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors are disqualified as on 31st

March, 2016 from being appointed as a director in terms of Section 164(2) of the Act and

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B": and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in the notes to accounts of these financial statements.

- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Kirti D. Shah & Associates
Chartered Accountants
Firm Registration No. 115133W

Kirti D. Shah
Proprietor
Membership No. 032371

Place : Mumbai
Date : 30th May, 2016

ANNEXURE “A” to the Independent Auditor’s Report

The Annexure referred to in our Independent Auditors’ Report to the members of the Company on the standalone financial statements for the year ended 31st March 2016, we report that:

- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) These fixed assets were physically verified by the management at reasonable intervals. We have been informed that no material discrepancies were noticed on such physical verification.
(c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- ii. According to the information and explanations provided to us, the stock of inventory has been physically verified during the period by the management at reasonable intervals. No material discrepancies were noticed on physical verification of stocks as compared to book records.
- iii. The Company has granted loans to four companies (subsidiaries) covered in the Register maintained under Section 189 of the Act, 2013.
(a) As per information and explanation provided to us, the rate of interest and other terms and conditions on which the loans granted by the Company to the bodies corporate listed in the register maintained under section 189 of the Act were not , prima facie, prejudicial to the interest of the company.
(b) As per information and explanation provided to us, in the case of loans granted by the company to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of principal and interest as stipulated wherever applicable.
(c) As per the information given by the management, there are no overdue amounts for more than ninety days in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees, and securities.
- v. According to the information and explanations provided by the company, The Company has not accepted deposits from the public. Hence, the question of compliance with the directives issued by Reserve Bank of India and provision of sections 73, 74, 75 and 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 does not arise. No order has been passed by the National Company Law Tribunal or Company Law Board or RBI in this regard.
- vi. The Company has appointed a cost accountant firm to carry out the Cost Audit. We have reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2014 prescribed by the Central Government under section 148 (1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete
- vii. (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing statutory dues including Provident Fund, Employee State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other material statutory dues except occasional/ minor delays. As per the information given by the management and apparent from the records the undisputed liabilities as on 31st March 2016 is for a period exceeding six months from the date of it becoming payable is NIL.
(b) Details of disputed liability in respect of tax dues on account of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess together with the status and the Forum before which such dispute is pending as on 31st March 2016 is as per Annexure I.
- viii. The company has not defaulted in repayment of loans or borrowing to a financial institution, banks, or Government. The Company has not obtained any borrowings by way of issue of debentures.
- ix. According to the information and explanation provided to us, the company did not raise any money by way of initial public offering or further public offer (including debt instruments). The company has taken term loans which have been utilized for the purpose for which such loans were obtained.
- x. During the course of our examination of books and records of the company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor we have been informed of any such case by the management.
- xi. According to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for managerial remuneration in accordance with the requisites approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Kirti D Shah & Associates
Chartered Accountants
Firm Registration No. 115133W

Kirti D. Shah
Proprietor
Membership No. 32371

Place : Mumbai
Date : 30th May, 2016

Annexure I to Clause vii(b) of Auditor's Report

Details of disputed statutory dues outstanding as on 31st March, 2016

Nature of Dues	Period to which payment relates	Forum where the dispute is pending	Particulars of Dispute	Tax Outstanding Rs.
Sales Tax (Kanpur)	1994 – 1995	Assessing Authority, (DC) – Asst. (5) - Commercial Tax Department, Kanpur	Applicability of C Form on interstate sale of poultry products	93,173
Sales Tax (Kanpur)	1985-1986	Tribunal	Classification of goods	1,75,000
			Total	2,68,173
Income Tax	2006-07	Income Tax Appellate Tribunal	Disallowance of Notional Interest on Advances given	4,41,660
Income Tax	2008-09	Commissioner of Income Tax (Appeals) XXII, Mumbai	Dissallowance of deduction u/s 35D.	30,40,640
Income Tax	2009-10	Commissioner of Income Tax (Appeals) XXII, Mumbai	Dissallowance of deduction u/s 35D.	25,92,730
Income Tax	2010-11	Commissioner of Income Tax (Appeals) XXI, Mumbai	Dissallowance of deduction u/s 35D.	26,98,410
Income Tax	2012-13	Dispute Resolution Panel – I, Mumbai	(1) Transfer Pricing adjustment (2) Disallowance of deduction u/s 35D (3) Disallowance u/s 2(24)(x) r.w.s 36(1) (va) and (4) Disallowance u/s 14A r.w.r 8D.	1,61,83,543
			Total	2,49,56,983
Central Excise & Customs	2011-12 & 2012-13	Central Excise & Service Tax Appellate Tribunal (CESTAT)	Classification of Goods Imported	29,91,582
Central Excise & Customs	March 2011 to October 2012	Central Excise & Service Tax Appellate Tribunal (CESTAT)	Classification of Goods Manufactured	3,81,04,558 + 3,81,04,558 (Penalty)
			Total	7,92,00,698

ANNEXURE “B” to the Independent Auditor’s Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Aries Agro Limited (“the Company”) as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Kirti D. Shah & Associates
Chartered Accountants
Firm Registration No. 115133W

Kirti D. Shah
Proprietor
Membership No. 032371

Place : Mumbai
Date : 30th May, 2016

Balance Sheet as on 31st March, 2016

(Amounts in Rupees unless stated otherwise)

Particulars	Note Nos.	As at 31 March 2016	As at 31 March 2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	130,043,390	130,043,390
(b) Reserves and Surplus	4	1,261,713,332	1,221,275,200
		<u>1,391,756,722</u>	<u>1,351,318,590</u>
(2) Non-Current Liabilities			
(a) Long Term Borrowings	5	116,922,422	129,683,541
(b) Deferred Tax Liabilities (Net)	6	38,862,583	37,552,167
(c) Long Term Provisions	7	8,738,238	7,048,585
		<u>164,523,243</u>	<u>174,284,293</u>
(3) Current Liabilities			
(a) Short Term Borrowings	8	1,081,611,891	948,712,879
(b) Trade Payables	9	317,852,117	320,512,813
(c) Other Current Liabilities	10	135,977,543	154,930,909
(d) Short Term Provisions	11	53,019,857	93,803,224
		<u>1,588,461,408</u>	<u>1,517,959,825</u>
TOTAL		<u><u>3,144,741,373</u></u>	<u><u>3,043,562,708</u></u>
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	12		
(i) Tangible Assets		256,428,297	210,069,287
(ii) Intangible Assets		1,312,120	888,665
(iii) Capital Work-in-Progress		90,500,000	92,919,950
(b) Non-Current Investments	13	202,764,000	202,764,000
		<u>551,004,417</u>	<u>506,641,902</u>
(2) Current Assets			
(a) Inventories	14	992,822,395	996,849,305
(b) Trade Receivables	15	963,226,243	976,737,639
(c) Cash & Cash Equivalents	16	91,652,160	84,641,728
(d) Short Term Loans and Advances	17	546,036,157	478,692,134
		<u>2,593,736,955</u>	<u>2,536,920,806</u>
TOTAL		<u><u>3,144,741,373</u></u>	<u><u>3,043,562,708</u></u>
Summary of Significant Accounting Policies	2.1		

The Notes referred to above form an integral part of these Financial Statements

As per our report of even date

For and on behalf of the **Board of Directors** of **Aries Agro Limited**

For Kirti D Shah & Associates
Chartered Accountants
Firm Registration No. 115133W

Dr. Jimmy Mirchandani
Chairman & Managing Director
DIN 00239021

Prof R S S Mani
Director
DIN 00527270

Mr. S. Ramamurthy
Chief Financial Officer
Membership No. ACA-31200

Kirti D Shah
Proprietor
Membership No 32371

Dr. Rahul Mirchandani
Executive Director
DIN 00239057

Mr. C. B. Chhaya
Director
DIN 00968966

Mr. Qaiser P. Ansari
Company Secretary
Membership No. ACS-8979

Place : Mumbai.
Date : 30th May, 2016

Mrs. Nitya Mirchandani
Director
DIN 06882384

Mr. B. V. Dholakia
Director
DIN 01871816

Statement of Profit and Loss for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

Particulars	Note Nos.	Year Ended 31 March 2016	Year Ended 31 March 2015
I. Revenue from Operations	18	2,293,792,532	2,341,118,574
II. Other Income	19	14,259,519	15,228,407
III. Total Revenue (I + II)		2,308,052,051	2,356,346,981
IV. Expenses :			
(a) Consumption of Materials	20	1,038,925,144	1,000,562,552
(b) (Increase) / Decrease in Inventories of Finished Goods	21	(43,386,729)	(10,452,378)
(c) Employee Benefits Expense	22	224,901,641	214,456,532
(d) Finance Costs	23	205,892,020	212,965,713
(e) Depreciation	12	17,563,096	18,172,205
(f) Other Expenses	24	760,270,160	769,729,806
Total Expenses		2,204,165,331	2,205,434,430
V. Profit Before Tax (PBT) - (III - IV)		103,886,720	150,912,551
VI. Provision for Taxation			
(i) Tax Expense			
Current Tax		36,500,000	55,400,000
Deferred Tax		1,310,416	(26,070,068)
(ii) Wealth Tax		-	150,000
		37,810,416	29,479,932
VII. Profit after Tax (PAT) - (V - VI)		66,076,304	121,432,619
Less :- Short Provision for Tax in Earlier Years		2,160,597	3,304,278
VIII. Profit / (Loss) for the period		63,915,707	118,128,342
IX Earnings per Equity Share			
(1) Basic & Diluted	25	4.91	9.08
Summary of Significant Accounting Policies	2.1		

The Notes to Accounts 1 to 34 form part of these Financial Statements

As per our report of even date

For and on behalf of the **Board of Directors** of **Aries Agro Limited**

For Kirti D Shah & Associates
Chartered Accountants
Firm Registration No. 115133W

Dr. Jimmy Mirchandani
Chairman & Managing Director
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Company Secretary
Membership No. ACS-8979

Place : Mumbai.
Date : 30th May, 2016

Mrs. Nitya Mirchandani
Director
DIN 06882384

Mr. B. V. Dholakia
Director
DIN 01871816

Statement of Cash Flows for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

Sr. No.	Particulars	Year Ended 31 March, 2016	Year Ended 31 March, 2015
A)	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax as per Statement of Profit and Loss	103,886,720	150,912,551
	Adjusted for :		
	Depreciation and Amortisation Expense	17,563,096	18,172,205
	Loss on Sale of Assets (net)	3,611,641	2,610,191
	Proposed Dividend	(19,506,509)	(26,008,678)
	Dividend Distribution Tax	(3,971,066)	(5,325,191)
	Interest Income	(13,568,722)	(14,937,571)
	Finance Costs	205,892,020	212,965,713
	Operating Profit before Working Capital Changes	293,907,179	338,389,220
	Adjusted for :		
	(Increase) / Decrease in Trade Receivables	13,511,396	(26,239,770)
	(Increase) / Decrease in Inventories	4,026,910	(2,084,996)
	Increase / (Decrease) in Trade Payables	(2,660,697)	47,822,846
	Increase / (Decrease) in Provisions & Other Current Liabilities	(26,713,210)	11,602,984
	Cash Generated from Operations	282,071,578	369,490,283
	Prior Year Adjustments (Net)	(2,160,597)	(3,304,278)
	Income Taxes (paid) / received (Net)	(36,500,000)	(55,550,000)
	Net Cash from Operating Activities	243,410,981	310,636,006
B)	CASH FLOW FROM INVESTING ACTIVITIES :		
	Purchase of Fixed Assets (Tangible Fixed Assets, Capital work in progress (WIP)	(71,573,414)	(10,634,780)
	Proceeds from Sale of Fixed Assets	6,036,161	4,040,111
	Investments in Long Term Investments	-	17,300
	Movement in Short Term Loans and Advances	(67,344,023)	17,975,812
	Interest Income	13,568,722	14,937,571
	Net Cash Flow from / (used in) Investing Activities (B)	(119,312,554)	26,336,014
C)	CASH FLOW FROM FINANCIAL ACTIVITIES:		
	Dividend Paid	(26,008,678)	(26,008,678)
	Tax on Dividend paid	(5,325,191)	(4,420,175)
	Long Term Borrowings (Net)	(12,761,119)	(55,697,171)
	Short Term Borrowings (Net)	132,899,012	(77,733,227)
	Finance Costs	(205,892,020)	(212,965,713)
	Net Cash (used in) / from financing activities (C)	(117,087,996)	(376,824,963)
	Net Increase in Cash and Cash Equivalents	7,010,432	(39,852,943)
	Opening Balance of Cash and Cash Equivalents	84,641,728	124,494,671
	Closing Balance of Cash and Cash Equivalents	91,652,160	84,641,728

As per our report of even date

For and on behalf of the **Board of Directors** of Aries Agro Limited

For Kirti D Shah & Associates
Chartered Accountants
Firm Registration No. 115133W

Dr. Jimmy Mirchandani
Chairman & Managing Director
DIN 00239021

Prof R S S Mani
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Mr. C. B. Chhaya
Director
DIN 00968966

Mr. Qaiser P. Ansari
Company Secretary
Membership No. ACS-8979

Place : Mumbai.
Date : 30th May, 2016

Mrs. Nitya Mirchandani
Director
DIN 06882384

Mr. B. V. Dholakia
Director
DIN 01871816

Notes to the Financial Statements for the year ended 31st March, 2016

1. Corporate Information

Aries Agro Limited ('Aries' or the 'Company') was incorporated at Mumbai in 1969 for manufacturing of small range of mineral feed additives for animals & birds and then diversified into mineral additives for the agriculture use and currently is into business of manufacturing micronutrients and other nutritional products for plants and animals.

In January, 2007 the Company incorporated Aries Agro Care Private Limited as a Wholly Owned Subsidiary for carrying business in the Branch of agro protection, seeds etc.

In January, 2007 the Company incorporated Aries Agro Equipments Private Limited as a Wholly Owned Subsidiary for carrying business in all type of farm equipments, machinery etc.

In 2008 the Company acquired 75% Shares in Golden Harvest Middle East FZC, Sharjah, UAE, by virtue of which the said Golden Harvest Middle East FZC has become a Subsidiary of the Company. Golden Harvest Middle East FZC is in the business of manufacturing chelated micronutrients.

In June, 2008 the Company incorporated Aries Agro Produce Private Limited as a Subsidiary for carrying business in all kinds of farming etc.

In the year 2010 the Company's Overseas Subsidiary viz M/S Golden Harvest Middle East FZC acquired 75% Shares of M/S Amarak Chemicals FZC based in Fujairah Free Zone, UAE by virtue of which M/S Amarak Chemicals FZC has become a Step Down Subsidiary of Aries Agro Limited.

Aries Agro Limited is an **Indian Multinational** Company that offers the widest range of products in the primary, secondary and micro-fertilizer sector, ranging from individual elements to mixed specialty plant nutrient fertilizers. Since 1969, Aries has pioneered several **innovative concepts of farming** to Indian agriculturists, including the wonder of Chelation Technology, bio-degradable complexes of plant nutrients, water soluble NPK fertilizers, value added secondary nutrients, natural and biological products and water treatment formulations.

2. Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards, notified by the Companies Accounting Standards Rules, 2014 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention except in case of assets for which provision for impairment is made and revaluation is carried out.

2.1 Summary of significant accounting policies

A. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

B. Tangible fixed assets

Fixed assets are stated at cost, except for revalued freehold land and buildings, which are shown at estimated replacement cost as determined by valuers less impairment loss, if any, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and other directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Leasehold land on a lease-cum-sale basis are capitalised at the allotment rates charged by the Municipal Authorities.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including routine repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The Company adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset.

Gains or losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

C. Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule II to the Companies Act, 2013, whichever is higher.

Leasehold improvements are being depreciated over the lease term or estimated useful life whichever is lower. Used assets acquired from third parties are depreciated on a straight line basis over their remaining useful life of such assets.

The depreciation charge over and above the depreciation calculated on the original cost of the revalued assets is transferred from the revaluation reserve to the statement of profit and loss.

NOTES to the Financial Statements for the year ended 31st March, 2016

D. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Computer Software which is not an integral part of the related hardware is classified as an intangible asset.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

Gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

E. Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

F. Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

G. Inventories

Inventories are valued as follows:

- (i) **Raw materials and packing materials** : 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 a first-in-first out basis. Customs duty on imported raw materials (excluding stocks in the bonded warehouse) is treated as part of the cost of the inventories.
- (ii) **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. Cost of finished goods includes excise duty.
- (iii) **Traded goods** : Lower of cost and net realizable value. Cost includes the purchase price and other associated costs directly incurred in bringing the inventory to its present location.
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.
- (iv) Waste and scrap are not separately valued being insignificant in value.

H. 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. The following specific recognition criteria must also be met before revenue is recognised

(i) Sale of products:

Revenue from sale of products is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. The Company collects sales tax and value added tax (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

NOTES to the Financial Statements for the year ended 31st March, 2016

(ii) Interest Income:

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

(iii) Dividend income:

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

I. Investments

Investments that are readily realisable and intended to be held for not more than twelve months from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements 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 recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss

J. Retirement benefits

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss for the year when the contributions to the government funds are due. The Company has no obligation other than the contribution payable to provident fund authorities.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The gratuity benefit of the Company is administered by a trust formed for this purpose through the group gratuity scheme. Actuarial gains and losses for defined benefit plan are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond 12 months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

K. Foreign currency translation

The transactions in foreign currency are accounted at the exchange rate i.e. custom rate prevailing on the date of transaction. Exchange fluctuation between the transaction date and settlement date in respect of transactions are transferred to exchange rate difference account and written off to the statement of profit & loss.

Current assets and current liabilities involving transactions in foreign currency are converted at the exchange rates prevailing on the date of Balance Sheet. Any profit and loss arising out of such conversion is charged to profit and loss account.

Non-monetary items i.e. investments are converted at the rate prevalent on the date of transaction.

L. Income tax

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax liability is recognised for all taxable timing differences. 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. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each reporting 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.

NOTES to the Financial Statements for the year ended 31st March, 2016

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on "Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961", the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

M. Earnings Per Share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

N. Operating lease

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

O. Segment reporting

Identification of segments

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and services to different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operates.

P. Provisions

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

Q. Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or nonoccurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

R. 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 directly 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 statement of profit and loss. Income earned during construction period is deducted from the total of the indirect expenditure. All direct capital expenditure on expansion is capitalised. As regards indirect expenditure on expansion, only that portion is capitalised which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalised only if they increase the value of the asset beyond its original standard of performance.

S. Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

All the accounting policies as mentioned above will be applied at the relevant time.

NOTES to the Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

3. SHARE CAPITAL		As at 31 March 2016	As at 31 March 2015
Authorised Share Capital			
15,000,000 Equity Shares of Rs. 10/- each		150,000,000	150,000,000
Total		<u>150,000,000</u>	<u>150,000,000</u>
Issued, Subscribed and Paidup			
13,004,339 Equity Shares of Rs.10/- each.		130,043,390	130,043,390
Total		<u>130,043,390</u>	<u>130,043,390</u>

3.1 66,00,700 Equity Shares out of the Issued, Subscribed and Paidup Share Capital were allotted as fully paidup Bonus Shares since incorporation by capitalisation of Rs. 4.90 Crores from Revaluation Reserve, Rs. 0.91 Crores from Securities Premium Account and Rs. 0.79 Crores from Statement of Profit and Loss.

3.2 17,00,700 Equity Shares out of the Issued, Subscribed and Paidup Share Capital were allotted as fully paid Bonus Shares during the Financial Year 2006-07 by capitalisation of Rs. 0.91 Crores from Securities Premium Account and Rs. 0.79 Crores from Statement of Profit and Loss.

3.3 Reconciliation of Number of Shares Outstanding

Particulars	As at 31 March, 2016 No. of Shares	As at 31 March, 2015 No. of Shares
Equity Shares at the beginning of the year	13,004,339	13,004,339
Add :- Issued during the year	-	-
Less :- Shares cancelled during the year	-	-
Equity Shares at the end of the year	<u>13,004,339</u>	<u>13,004,339</u>

3.4 List of Shareholder's holding more than 5 percent of Shares

Name of the Shareholder	No. of Shares	As at 31 March, 2016 % Held	No. of Shares	As at 31 March, 2015 % Held
(i) Dr. Jimmy Mirchandani	3,524,830	27.11%	3,524,830	27.11%
(ii) Dr. Rahul Mirchandani	2,623,221	20.17%	2,623,221	20.17%

4. RESERVES AND SURPLUS		As at 31 March 2016	As at 31 March 2015
Securities Premium Reserve			
As per last Balance Sheet		490,037,050	490,037,050
		<u>490,037,050</u>	<u>490,037,050</u>
Revaluation Reserve			
As per last Balance Sheet		-	70,911,340
Less : WDV of Assets W/off having zero remaining useful life due to change in method of Depreciation in line with Companies Act, 2013		-	70,911,340
		<u>-</u>	<u>-</u>
General Reserves			
As per last Balance Sheet		97,956,310	87,956,310
Add : Transfer from Statement of Profit & Loss		5,000,000	10,000,000
		<u>102,956,310</u>	<u>97,956,310</u>

NOTES to the Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

4. RESERVES AND SURPLUS (Contd...)	As at 31 March 2016	As at 31 March 2015
Surplus in the Statement of Profit and Loss		
As per last Balance Sheet	633,281,841	624,942,587
Add:- Profit for the year	63,915,707	118,128,342
	697,197,548	743,070,929
Less:- Appropriations		
WDV of Assets W/off having zero remaining useful life due to change in method of Depreciation in line with Companies Act, 2013	-	68,455,219
Transfer to General Reserve	5,000,000	10,000,000
Proposed Final Dividend on Equity Shares {Per Share Rs. 1.50 (2014-15 Rs 2/-) }	19,506,509	26,008,678
Dividend Distribution Tax	3,971,066	5,325,191
	28,477,575	109,789,088
	668,719,973	633,281,841
Total	1,261,713,332	1,221,275,200

5. LONG TERM BORROWINGS	As at 31 March 2016	As at 31 March 2015
Secured Term Loans		
Term Loans from Banks	10,317,130	13,438,750
	10,317,130	13,438,750
Un-Secured Term Loans		
Term Loans from Banks	106,605,292	116,244,791
	106,605,292	116,244,791
Total	116,922,422	129,683,541

5.1 Secured Term Loans from Banks referred above to the extent of :

Particulars	As at 31 March 2016	As at 31 March 2015
(a) Secured by way of Charge on the Company's Motor Vehicles.	10,317,130	2,794,903
(b) Secured by way of Primary Charge on all Fixed Assets at Mouje Rajpur, Gujarat and personally guaranteed by Directors.	-	5,120,985
(c) Secured by way of Primary Charge on Solar Panel at Pashamylaram, Andhrapradesh and personally guaranteed by Directors.	-	2,274,003
(d) Secured by way of Pari Pasu Charge on all Fixed Assets at Deonar, Mumbai and personally guaranteed by Directors.	-	3,248,858
	10,317,130	13,438,750

5.2 Un-Secured Term Loans from Banks are secured by way of Charge on personal Assets of Directors and guaranteed by the Directors.

5.3 Maturity Profile of Secured Term Loans are as set out below :

Particulars	F Y 2016-17*	F Y 2017-18	F Y 2018-19	F Y 2019-20 and Beyond
(a) Term Loans from Banks	13,061,967	2,963,415	3,236,487	4,117,229

* Refer Note No. 10

5.4 Maturity Profile of Un-Secured Term Loans are as set out below :

Particulars	F Y 2016-17*	F Y 2017-18	F Y 2018-19	F Y 2019-20 and Beyond
(a) Term Loans from Banks	9,639,499	10,862,028	12,239,606	83,503,658

* Refer Note No. 10

NOTES to the Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

6. DEFERRED TAX LIABILITY	As at 31 March 2016	As at 31 March 2015
Deferred Tax Liability		
Related to Fixed Assets : Impact of difference between income tax depreciation and depreciation charged for the financial reporting.	42,414,085	40,373,167
Gross Deferred Tax Liability	42,414,085	40,373,167
Deferred Tax Assets		
Disallowance under the Income Tax Act, 1961 U/s 43B	3,551,502	2,821,000
Gross Deferred Tax Asset	3,551,502	2,821,000
Net Deferred Tax Liability	38,862,583	37,552,167

7. LONG TERM PROVISIONS	As at 31 March 2016	As at 31 March 2015
Employee Related		
Provision for Leave Salary	8,738,238	7,048,585
	8,738,238	7,048,585

8. SHORT TERM BORROWINGS	As at 31 March 2016	As at 31 March 2015
Secured Borrowings		
Working Capital Facilities from Banks	986,985,945	834,364,649
Un-Secured Borrowings		
From Related Parties	10,315,675	38,371,576
Security Deposits	84,310,271	75,976,654
Total	1,081,611,891	948,712,879

8.1 Working Capital Facilities from Banks are secured by way of Charge on Company's Inventory, Book Debts, Charge on Land, Building, Plant & Machinery and all other movable fixed assets of the Company and guaranteed by Directors.

8.2 Working Capital Facilities from Banks includes :

Particulars	As at 31 March 2016	As at 31 March 2015
a) Cash Credit Facilities	876,206,637	728,116,232
b) Buyers Credit	110,779,308	106,248,417
	986,985,945	834,364,649

9. TRADE PAYABLES	As at 31 March 2016	As at 31 March 2015
Creditors for Goods	114,141,621	180,102,749
Creditors for Expenses	110,849,810	78,331,060
Outstanding Expenses	92,860,686	62,079,005
Total	317,852,117	320,512,813

9.1 There are no Micro and Small Enterprises to whom Company owes dues, which are outstanding for more than 45 days as at 31st March, 2016. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTES to the Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

10. OTHER CURRENT LIABILITIES	As at 31 March 2016	As at 31 March 2015
Current Maturities of Long Term Debt (Refer Note No. 5.3 & 5.4)	22,701,466	66,602,628
Interest Accrued but not due on Borrowings	890,154	1,047,371
Unclaimed Dividend	2,558,635	2,362,789
Advance/Credits from Customers	61,942,821	37,114,500
Dues to Directors	27,846,793	26,176,913
Statutory Dues	20,037,674	21,626,709
Total	135,977,543	154,930,909

10.1 Current Maturities of Long Term Debt includes amount repayable within one year of :

Particulars	As at 31 March 2016	As at 31 March 2015
(a) Secured Term Loans from Banks	13,061,967	58,048,064
(b) Un-Secured Term Loans from Banks	9,639,499	8,554,564
	22,701,466	66,602,628

10.2 Secured Term Loans from Banks included in Current Maturities of Long Term Debt to the extent of :

Particulars	As at 31 March 2016	As at 31 March 2015
(a) Secured by way of Charge on the Company's Motor Vehicles.	2,687,179	1,747,323
(b) Foreign Currency Term Loan which is secured by way of Equitable Mortgage of Land and Building and personal guarantee of Directors.	-	31,128,740
(c) Axis Bank Ltd by way of Primary Charge on all Fixed Assets at Mouje Rajpur, Gujarat and personally guaranteed by Directors.	4,900,669	20,000,000
(d) Canara Bank by way of Primary Charge on Solar Panel at Pashamylaram, Andhrapradesh and personally guaranteed by Directors.	2,253,934	2,129,538
(e) Canara Bank by way of Pari Pasu Charge on all Fixed Assets at Deonar, Mumbai and personally guaranteed by Directors.	3,220,185	3,042,462
	13,061,967	58,048,064

10.3 Un-Secured Term Loans from Banks included in Current Maturities of Long Term Debt to the extent of Rs. 96,39,499/- are secured by way of Charge on personal Assets of Directors and guaranteed by the Directors.

10.4 Unclaimed Dividend do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

10.5 Statutory Dues includes Indirect Taxes, Tax Deducted at Source, Bonus, ESIC, Provident Fund and Profession Tax.

11. SHORT TERM PROVISIONS	As at 31 March 2016	As at 31 March 2015
Employee Related		
Provision for Gratuity	3,537,752	9,632,309
Provision for Leave Salary	787,253	1,344,052
Other Provisions		
Proposed Dividend	19,506,509	26,008,678
Dividend Distribution Tax	3,971,066	5,325,191
Provision for Income Tax (Net of Advance Tax / TDS)	25,217,277	51,342,993
Provision for Wealth Tax	-	150,000
Total	53,019,857	93,803,224

NOTES to the Financial Statements for the year ended 31st March, 2016

12. Fixed Assets

Schedule of Fixed Assets for the year ended 31st March , 2016

Sr No	Particulars	Gross Block				Depreciation Block					Net Block	
		Balance as on	Additions during the year	Deductions During the year	Balance as on	Balance as on	Provided during the year	Amount charged from Opening Retained Earnings as on 01/04/2014	Deductions during the year	Total as on	As on	As on
		31-Mar-15			31-Mar-16	31-Mar-15				31-Mar-16	31-Mar-16	31-Mar-15
	Tangible Assets											
1	Land	13,456,619	-	-	13,456,619	-	-	-	-	-	13,456,619	13,456,619
2	Factory Building	306,581,088	901,590	-	307,482,678	191,866,669	3,697,001	-	-	195,563,670	111,919,008	114,714,419
3	Residential Flat	350,000	-	-	350,000	104,347	5,565	-	-	109,912	240,088	245,653
4	Plant & Machinery	64,147,383	56,073,587	5,958,773	114,262,197	26,405,608	3,960,682	-	4,360,335	26,005,956	88,256,241	37,741,775
5	Electrical Installations	17,552,854	-	609,437	16,943,417	3,394,451	2,120,431	-	609,437	4,905,446	12,037,972	14,158,403
6	Laboratory Equipments	2,219,893	332,799	303,032	2,249,660	1,097,474	283,340	-	153,863	1,226,951	1,022,709	1,122,419
7	Office Equipments	5,431,876	774,510	291,795	5,914,591	4,382,646	443,742	-	283,749	4,542,638	1,371,953	1,049,230
8	Furniture & Fixtures	18,500,967	74,745	91,599	18,484,113	8,236,720	2,080,811	-	91,599	10,225,932	8,258,181	10,264,247
9	Air Conditioners	3,234,246	647,412	606,693	3,274,965	2,788,784	238,067	-	577,203	2,449,648	825,317	445,462
10	Computer	7,615,967	545,201	441,600	7,719,568	6,778,765	402,829	-	439,853	6,741,741	977,827	837,203
11	Vehicles	28,323,793	15,025,249	14,860,468	28,488,574	14,267,811	3,619,827	-	6,006,766	11,880,872	16,607,702	14,055,982
12	Commercial Vehicles	5,167,127	315,000	878,501	4,603,626	3,189,252	607,089	-	647,397	3,148,944	1,454,682	1,977,875
	Sub - Total	472,581,813	74,690,093	24,041,898	523,230,007	262,512,526	17,459,384	-	13,170,201	266,801,710	256,428,297	210,069,287
	Previous Year Rs.	460,251,511	26,211,371	13,881,070	472,581,813	112,333,615	18,172,205	139,236,522	7,229,814	262,512,526	210,069,287	347,917,898
	Intangible Assets											
13	Computer Software	17,658,898	527,167	-	18,186,065	16,770,233	103,711	-	-	16,873,945	1,312,120	888,665
	Sub - Total	17,658,898	527,167	-	18,186,065	16,770,233	103,711	-	-	16,873,945	1,312,120	888,665
	Previous Year Rs.	17,654,488	4,410	-	17,658,898	16,640,196	-	130,037	-	16,770,233	888,665	1,014,292
14	Capital Work in Progress	-	-	-	-	-	-	-	-	-	90,500,000	92,919,950
	Sub - Total	-	-	-	-	-	-	-	-	-	90,500,000	92,919,950
	Previous Year Rs.	-	-	-	-	-	-	-	-	-	92,919,950	108,500,000
	Grand Total	490,240,711	75,217,260	24,041,898	541,416,072	279,282,760	17,563,096	-	13,170,201	283,675,654	348,240,417	303,877,902
	Previous Year Rs.	477,905,999	26,215,781	13,881,070	490,240,711	128,973,811	18,172,205	139,366,559	7,229,814	279,282,760	303,877,902	457,432,190

12.1 The Gross Block of Fixed Assets includes Rs. 17,60,00,000/- (Previous Year Rs. 17,60,00,000/-) on account of revaluation of Building carried out in F Y 1994-95.

12.2 Capital Work in Progress represents Advance for Existing Office Building renovation. On completion the Capital Work in Progress will be allocated to relevant Assets.

NOTES to the Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

13. NON-CURRENT INVESTMENTS		As at 31 March 2016	As at 31 March 2015
Trade Investments			
In Equity Shares of Indian Subsidiary Companies - Unquoted, Fully paidup			
(a) (10,000 Equity Shares @ Rs. 10/- per Share) - Aries Agro Care Pvt Ltd		100,000	100,000
(b) (10,000 Equity Shares @ 10/- per Share) - Aries Agro Equipments Pvt Ltd		100,000	100,000
(c) (7,500 Equity Shares @ 10/- per Share) - Aries Agro Produce Pvt Ltd		75,000	75,000
In Equity Shares of Foreign Subsidiary Companies - Unquoted, Fully paidup			
(a) 1,125 Equity Shares of AED 100/- each- Golden Harvest Middle East FZC		1,227,375	1,227,375
(b) Shareholders Current A/c - Golden Harvest Middle East FZC		201,261,625	201,261,625
Total		202,764,000	202,764,000

13.1 Aries Agro Care Pvt. Ltd. has been incorporated as a wholly owned subsidiary on 5th January, 2007 with the Registrar of Companies, Maharashtra, Mumbai. to carry out the business in all branches of agro protection, agro care, etc. The Registered Office of the Company is located at "Aries House, Plot no 24, Deonar, Govandi (E), Mumbai – 400 043".

13.2 Aries Agro Equipments Pvt. Ltd. has been incorporated as a wholly owned subsidiary on 12th January, 2007 with the Registrar of Companies, Maharashtra, Mumbai. to carry out the business of manufacturing, repair, etc. of all types of rural and farm equipments, machinery, etc. The Registered Office of the Company is located at "Aries House, Plot no 24, Deonar, Govandi (E), Mumbai – 400 043".

13.3 Golden Harvest Middle East FZC was incorporated on 31st December, 2004 as a Free Zone Company with limited liability to carry on the activities of manufacturing Chemical Fertilizer and exporting all the necessities, material and acts related to its natural work or needed to the above mentioned works. In the year 2008 it became 75% subsidiary of the Company, Aries Agro Limited. The Registered Office of the Company is located at "SAIF Zone (Emirates of Sharjah)". The said Company has no accumulated losses as at 31st March, 2016.

13.4 Aries Agro Produce Pvt. Ltd. has been incorporated on 20th June, 2008 as 75% owned subsidiary with the Registrar of Companies, Maharashtra, Mumbai. to carry out the business of all kinds of Farming, agriculture, horticulture etc. and to plant, grow, cultivate and in any other way deal in farming and agricultural produce. The registered office of the Company is located at "Aries House, Plot no 24, Deonar, Govandi (E), Mumbai – 400 043".

13.5 Losses of Subsidiaries not provided in accounts :

Particulars	Year Ended 31 st March, 2016		Year Ended 31 st March, 2015	
	Accumulated	Current Year	Accumulated	Current Year
a) Aries Agro Care Pvt. Ltd.	(2,733,820)	(36,728)	(2,697,092)	(23,120)
b) Aries Agro Produce Pvt. Ltd.	(299,878)	(27,100)	(272,778)	(19,610)
	<u>(3,033,698)</u>	<u>(63,828)</u>	<u>(2,969,869)</u>	<u>(42,730)</u>

14. INVENTORIES		As at 31 March 2016	As at 31 March 2015
(At lower of cost or Net Realisable Value)			
(As Certified and valued by the Management)			
Raw Materials		248,251,581	259,416,461
Finished Goods		593,804,669	550,417,940
Stock-in-Trade (in respect of Goods acquired for Trading)		61,695,916	96,199,234
Packing Materials		89,070,229	90,815,670
Total		992,822,395	996,849,305

15. TRADE RECEIVABLES		As at 31 March 2016	As at 31 March 2015
(Unsecured - Considered Good)			
Outstanding for a period exceeding six months (from Due Date of Payment)		257,500,261	271,261,010
Others		705,725,982	705,476,629
Total		963,226,243	976,737,639

NOTES to the Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

15.1 Trade Receivables includes Amount due from Related Parties

Particulars	Maximum Balance during the year	As at 31 March 2016	Maximum Balance during the year	As at 31 March 2015
(a) Amarak Chemicals FZC	19,278,704	19,278,704	17,382,958	17,382,958
	<u>19,278,704</u>	<u>19,278,704</u>	<u>17,382,958</u>	<u>17,382,958</u>

16. CASH AND CASH EQUIVALENTS

	As at 31 March 2016	As at 31 March 2015
Balance with Scheduled Banks in Current Accounts	43,003,558	40,784,038
Cash on hand	321,168	420,861
Balance with Scheduled Banks in Fixed Deposit Accounts	48,327,434	43,436,829
Total	<u>91,652,160</u>	<u>84,641,728</u>

16.1 Balance with Banks includes Unclaimed Dividend of Rs. 25.59 Lacs (Previous Year Rs. 23.63 Lacs).

16.2 The Fixed Deposits are kept as Margin against various Credit Limits / Guarantees.

17. SHORT TERM LOANS AND ADVANCES

	As at 31 March 2016	As at 31 March 2015
Loans and Advances to Related Parties (Refer Note No. 27)	137,295,275	130,644,669
Balances with Customs, Central Excise Authorities	8,294,889	6,524,998
Deposits	8,532,904	7,371,449
Others	391,913,088	334,151,017
Total	<u>546,036,157</u>	<u>478,692,134</u>

17.1 Loans and Advances in the nature of Loans given to Subsidiaries and Associates :

Particulars	Maximum Balance during the year	As at 31 March 2016	Maximum Balance during the year	As at 31 March 2015
Subsidiary Companies				
(a) Amarak Chemicals FZC Subsidiary	-	-	30,324,780	27,595,098
(b) Aries Agro Care Pvt Ltd Subsidiary	5,814,935	5,814,935	5,812,435	5,812,435
(c) Aries Agro Equipments Pvt Ltd Subsidiary	3,552,759	3,552,759	3,550,259	3,550,259
(d) Aries Agro Produce Pvt Ltd Subsidiary	65,460	65,460	65,460	65,460
(e) Golden Harvest Middle East FZC Subsidiary	170,893,945	127,862,122	178,876,485	93,621,418
	<u>180,327,099</u>	<u>137,295,275</u>	<u>218,629,418</u>	<u>130,644,669</u>

- All the above Loans and Advances are interest free loans except Loan granted to Golden Harvest Middle East FZC through ICICI Bank Ltd, Bahrain which has been repaid during the year.
- Receipt of the principal amount of the above loans are regular.
- Other terms and conditions on which such loans and advances are given to the Companies are not prejudicial to the interest of the Company.

NOTES to the Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

17.2 Other Advances includes :

Particulars	As at 31 March 2016	As at 31 March 2015
a) Advance to Suppliers	381,661,081	326,370,848
b) Advance to Staff against expenses	5,176,999	3,235,070
c) Imprest Advance for Vehicle Expenses	403,932	172,450
d) Interest Accrued but not due	1,886,876	1,713,025
e) Prepaid Expenses	2,125,551	2,154,774
f) Staff Loans	658,649	504,851
	391,913,088	334,151,017

18. REVENUE FROM OPERATIONS

	Year Ended 31 March 2016	Year Ended 31 March 2015
Sales of Products		
Manufactured	1,695,971,701	1,571,187,685
Traded	650,186,338	820,137,944
	2,346,158,039	2,391,325,629
Less:-Excise Duty	52,365,507	50,207,056
Total	2,293,792,532	2,341,118,574

18.1 Particulars of Sale of Products :

Particulars	Year Ended 31 March 2016		Year Ended 31 March 2015	
Manufactured Products				
(a) Agricultural Mirconutrient and Speciality Fertilizers	1,464,601,403		1,336,349,384	
(b) Insecticides and Pesticides	223,529,887		227,376,208	
(c) Animal Feed and Feed Concentrates	-		489,910	
(d) Others	7,840,412		6,972,182	
	1,695,971,701		1,571,187,685	
Less :- Excise Duty	52,365,507	1,643,606,194	50,207,056	1,520,980,630
Traded Products				
(a) Agricultural Mirconutrient and Speciality Fertilizers	372,233,128		600,440,013	
(b) Insecticides and Pesticides	-		426,556	
(c) Agri Equipments	523,760		26,878,837	
(d) Others	277,429,450	650,186,338	192,392,538	820,137,944
Total		2,293,792,532		2,341,118,574

19. OTHER INCOME

	Year Ended 31 March 2016	Year Ended 31 March 2015
Interest Income on :		
Bank Fixed Deposits	4,097,735	3,574,525
Others	9,470,987	11,363,047
Other Non-Operating Income		
Misc. / Other Income	111,912	122,407
Re-Processing Charges	578,885	168,429
Total	14,259,519	15,228,407

NOTES to the Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

20. CONSUMPTION OF MATERIALS	Year Ended 31 March 2016	Year Ended 31 March 2015
1) Opening Stock of Raw Materials	259,416,461	258,678,889
Add : Purchases	403,520,182	627,884,704
	662,936,643	886,563,593
Less : Closing Stock of Raw Materials	248,251,581	259,416,461
Raw Material Consumed	414,685,062	627,147,132
2) Opening Stock of Traded Products	96,199,234	104,791,246
Add : Purchases	435,399,707	226,471,895
	531,598,941	331,263,141
Less : Closing Stock of Traded Products	61,695,916	96,199,234
Cost of Goods Sold	469,903,025	235,063,907
3) Opening Stock of Packing Materials	90,815,670	91,328,612
Add : Purchases	152,591,616	137,838,570
	243,407,286	229,167,182
Less : Closing Stock of Packing Materials	89,070,229	90,815,670
Packing Materials Consumed	154,337,057	138,351,512
Consumption of Materials (1+2+3)	1,038,925,144	1,000,562,552

21. (INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS	Year Ended 31 March 2016	Year Ended 31 March 2015
Inventories at the beginning of the year		
Finished Goods	550,417,940	539,965,562
	550,417,940	539,965,562
Inventories at the end of the year		
Finished Goods	593,804,669	550,417,940
(Increase) / Decrease in Inventories	(43,386,729)	(10,452,378)

22. EMPLOYEE BENEFIT EXPENSES	Year Ended 31 March 2016	Year Ended 31 March 2015
Salary and Wages	182,195,328	159,683,417
Directors Remuneration	13,172,262	17,092,604
Contribution to Provident & Other Funds	23,143,317	29,777,682
Staff Welfare Expenses	6,390,733	7,902,829
Total	224,901,641	214,456,532

22.1 As per Accounting Standard 15 "Employee Benefits", the disclosures as defined in the Accounting Standard are given below :

Particulars	As at 31 March 2016	As at 31 March 2015
Defined Contribution Plans		
Contribution to Defined Contribution Plans, recognised as expense for the year is as under :		
Employer's Contribution to Provident Fund	16,033,666	15,052,323
All Permanent Employees having served from the 1 st day of their employment are entitled to the benefits of the contribution to Provident Fund.		
The Company contributes specified percentage of the salary paid to Employees to the Defined Fund.		
Defined Benefit Plan		
All Employees who have completed five years or more of service are entitled to benefits of Gratuity. The Company has the Employee's Gratuity scheme managed by Life Insurance Corporation of India which is a Defined Benefit Plan. The present value of obligation is determined based on actuarial valuation. The obligation for Leave Encashment is recognised in the same manner as Gratuity.		

NOTES to the Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

I Reconciliation of Opening and Closing balances of Defined Benefit Obligation

Particulars	Gratuity		Leave Encashment	
	2015-16	2014-15	2015-16	2014-15
Defined Benefit obligation at beginning of year	49,923,584	44,415,456	8,299,501	6,564,578
Interest Cost	3,993,887	3,553,236	643,211	607,223
Current Service Cost	3,537,752	3,283,892	1,885,385	1,631,033
Benefits paid	(8,140,743)	(7,683,578)	(244,691)	(117,740)
Actuarial (gain) / loss	2,050,066	6,281,442	(321,915)	(385,593)
Defined Benefits obligation at year end	51,364,546	49,850,448	10,261,491	8,299,501

II Reconciliation of opening and closing balances of fair value of Plan Assets

Particulars	Gratuity	
	2015-16	2014-15
Fair value of plan assets at beginning of the year	43,080,578	41,320,730
Expected return on plan assets	3,222,950	3,486,261
Actuarial gain / (loss)	-	-
Contributions	10,129,709	5,655,057
Benefits paid	(8,140,743)	(7,683,578)
Fair value of Plan assets at year end	48,292,494	42,778,470
Actual return on plan assets	3,222,950	3,486,261

III Reconciliation of fair value of assets and obligations

Particulars	Gratuity		Leave Encashment	
	2015-16	2014-15	2015-16	2014-15
Fair value of plan assets	48,292,494	42,778,470	-	-
Present value of obligation	51,364,546	49,850,448	10,261,491	8,299,501
Amount recognised in Balance Sheet	(3,072,052)	(7,071,978)	10,261,491	8,299,501

IV Expenses recognised during the year

Particulars	Gratuity		Leave Encashment	
	2015-16	2014-15	2015-16	2014-15
Current Service Cost	3,537,752	3,283,892	1,885,385	1,631,033
Interest Cost	3,993,887	3,553,236	643,211	607,223
Expected return on Plan assets	(3,222,950)	(3,486,261)	-	-
Actuarial (gain) / loss	2,050,066	6,281,442	(321,915)	(385,593)
Net Cost	6,358,755	9,632,309	2,206,681	1,852,663

V Investment details :

Particulars	% Invested	
	2015-16	2014-15
Insurance Policies	100.00	100.00
	100.00	100.00

VI Actuarial assumptions

Particulars	Gratuity		Leave Encashment	
	2015-16	2014-15	2015-16	2014-15
Mortality Table (LIC)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount rate (per annum)	8%	8%	8.00%	7.75%
Expected rate of return on plan assets (per annum)	8%	8%		
Rate of escalation in salary (per annum)	5%	5%	7.50%	7.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

NOTES to the Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of Plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

23. FINANCE COSTS	Year Ended 31 March 2016	Year Ended 31 March 2015
Interest Expense	179,715,924	181,751,660
Other Borrowing Costs	26,176,096	31,214,052
Total	205,892,020	212,965,713

24. OTHER EXPENSES	Year Ended 31 March 2016	Year Ended 31 March 2015
Manufacturing Expenses		
Consumption of Stores & Spare Parts	1,680,443	1,360,444
Power & Fuel	18,489,985	19,939,384
Rent, Rates & Taxes	4,963,939	5,836,193
Repairs to Building	2,125,849	1,788,660
Repairs to Machinery	3,311,080	1,837,162
Freight Inward	54,410,458	55,815,057
Processing Charges	19,577,791	18,678,222
Security Charges	1,822,595	804,517
Wages & Allowances	54,402,457	53,183,404
Miscellaneous Expenses	2,281,850	1,905,969
	163,066,447	161,149,012
Selling & Distribution Expenses		
Advertisement & Publicity	121,938,487	108,142,302
Discount and Rebate	217,812,140	254,695,119
Freight & Delivery Expenses	51,895,859	59,893,468
Mobile Selling Expenses	847,019	886,171
Selling Expenses	6,033,007	7,426,641
Travelling Expenses	79,399,856	74,891,153
	477,926,367	505,934,854
Other Administration Expenses		
Audit Fees	2,748,000	2,471,920
Conveyance & Motor Car Expenses	23,210,752	25,555,910
Corporate Social Responsibility (CSR) Expenses	3,353,963	3,434,687
Electricity	1,153,146	1,037,774
General Expenses	4,316,039	4,550,899
Insurance	2,637,257	2,779,803
Legal & Professional Fees	6,313,406	9,226,981
Loss on Sale of Asset	3,611,641	2,610,191
Postage & Telephones	7,251,297	7,247,103
Printing & Stationery	4,489,757	5,258,612
Rent, Rates & Taxes	39,298,881	35,409,062
Repairs & Maintenance	1,440,527	1,778,227
Net Gain / Loss on Foreign Currency Transaction and Translation	19,452,679	1,284,773
	119,277,346	102,645,941
Total	760,270,160	769,729,806

NOTES to the Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

24.1 Payment to Auditors as :

Particulars	Year Ended 31 March 2016	Year Ended 31 March 2015
(a) Statutory Audit Fees	2,748,000	2,471,920
(b) Tax Audit Fees	274,800	269,664
(c) Taxation Matters	461,692	230,338
(d) Certification and Consultancy Fees	279,315	275,282
	<u>3,763,807</u>	<u>3,247,204</u>

25. EARNINGS PER SHARE (EPS)

	Year Ended 31 March 2016	Year Ended 31 March 2015
(i) Net Profit After Tax (PAT) as per Statement of Profit and Loss attributable to Equity Shareholders	63,915,707	118,128,342
(ii) Weighted Average number of Equity Shares used as denominator for calculating EPS	13,004,339	13,004,339
(iii) Basic & Diluted Earnings per Share (Rs.)	4.91	9.08
(iv) Face Value per Equity Share (Rs.)	10	10

26.1 OPERATING LEASE COMMITMENTS (Company is a Lessee)

The Company's significant leasing arrangements are in respect of Operating Leases for Vehicles. These leasing arrangements which are not non-cancellable range upto 60 months generally and are renewable by mutual consent on mutually agreeable terms. The aggregate Lease Rentals payable are charged as "RENT" in Other Administrative Expenses under Note 24.

With regard to Operating Leases for Vehicles, the future minimum lease rentals are as follows.

Particulars	Total Minimum Lease Payments outstanding as at 31 March 2016	Total Minimum Lease Payments outstanding as at 31 March 2015
(a) Within One year	12,555,858	13,945,752
(b) Later than One year and not later than Five years	14,363,090	9,448,336
(c) Later than Five years	-	-
	<u>26,918,947</u>	<u>23,394,088</u>
The above lease rentals are inclusive of VAT, Insurance and Other Charges		

26.2 Lease payments recognised in the Statement of Profit and Loss :

Particulars	Year Ended 31 March 2016	Year Ended 31 March 2015
(a) Minimum Lease Payments (Inclusive of VAT, Insurance and Other Charges)	25,809,342	22,797,591

26.3 General description of Lease terms :

- (a) Lease Rentals are charged on the basis of agreed terms.
- (b) Assets are taken on Lease for a period upto 60 months.

NOTES to the Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

27. RELATED PARTY DISCLOSURES

Related Party Disclosures as per Accounting Standard - 18 issued by the Institute of Chartered Accountants of India

Part - A				
Details of Related Parties as per AS - 18				
Sr. No.	Nature of Relationship	Name of the Related Party		Remarks
1	Subsidiary [Extent of Holding]	a)	Aries Agro Care Pvt Ltd [100%]	a) Date of Incorporation 5th January, 2007
		b)	Aries Agro Equipments Pvt Ltd [100%]	b) Date of Incorporation 12th January, 2007
		c)	Aries Agro Produce Pvt Ltd [75%]	c) Date of Incorporation 20th June, 2008
		d)	Golden Harvest Middle East FZC [75%]	d) Date of Incorporation 31 st October, 2004
		e)	Amarak Chemicals FZC [75%]	e) Step Down Subsidiary Date of Incorporation 9th September, 2007
2	Enterprises over which the Key Management Persons has significant Influence of Control	a)	Aries Marketing Ltd.	
		b)	Blossoms International Ltd.	
		c)	Sreeni Agro Chemicals Ltd.	
		d)	Aries East West Nutrients Pvt. Ltd.	
3	Key Management Personnel	a)	Dr. Jimmy Mirchandani	a) Chairman & Managing Director
		b)	Dr. Rahul Mirchandani	b) Executive Director
		c)	Mrs. Nitya Mirchandani	c) Director
4	Relatives of Key Management Personnel	Name of the Key Management Personnel		Name of the Relative Relationship
		a)	Dr. Jimmy Mirchandani	a) Mrs. Vivian Prokop Mirchandani Spouse
				b) Mr. Akshay Mirchandani Son
				c) Mr. Amol Mirchandani Son
				d) Dr. Rahul Mirchandani Brother
		b)	Dr. Rahul Mirchandani	a) Mrs. Nitya Mirchandani Spouse
				b) Master Armaan Mirchandani Son
				c) Dr. Jimmy Mirchandani Brother
		c)	Mrs. Nitya Mirchandani	a) Dr. Rahul Mirchandani Spouse
				b) Master Armaan Mirchandani Son
5	Other Related Parties	a)	Mruga Corporate Services Pvt. Ltd.	

Part - B				
Disclosure of Transactions between the Company and Related Parties				
Sr. No.	Category	Nature of Service	Year Ended 31 March 2016	Year Ended 31 March 2015
1	Subsidiary	Loan given	5,000	7,500
		Loan refund	32,180,000	80,005,351
		Sale of Goods	950,538	7,153,345
		Purchase of Goods	92,737,870	132,733,291
		Payments (Including Advance) for Goods	136,254,834	148,240,592
		Interest Income on Loan	293,027	2,688,956
2	Key Management Personnel	Loan repaid	35,280,201	10,516,068
		Loan taken	7,224,300	21,233,089
		Directors Remuneration paid	12,414,762	16,587,604
3	Relatives of Key Management Personnel	Salary paid	604,189	510,195
4	Other Related Parties	Legal & Professional Fees (Gross)	136,886	50,937
		Payments for Expenses	136,886	71,409

NOTES to the Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

Part - C				
Balance Outstanding with Related Parties				
Category	Nature of Outstanding	Name of the Related Party	As at 31 March 2016	As at 31 March 2015
Subsidiary	Loans & Advances	Aries Agro Care Pvt. Ltd.	5,814,935	5,812,435
		Aries Agro Equipments Pvt. Ltd.	3,552,759	3,550,259
		Aries Agro Produce Pvt. Ltd.	65,460	65,460
		Golden Harvest Middle East FZC	127,862,122	93,621,418
		Amarak Chemicals FZC	-	27,595,098
	Creditors for Goods	Golden Harvest Middle East FZC	28,583,573	27,068,942
		Aries Agro Equipments Pvt. Ltd.	11,806,960	11,806,960
	Share Investments	Golden Harvest Middle East FZC	202,489,000	202,489,000
	Sundry Debtors	Amarak Chemicals FZC	19,278,704	17,382,958
Key Management Personnel	Dues to Directors	Dr. Jimmy Mirchandani	10,890,094	10,023,615
		Dr. Rahul Mirchandani	16,956,699	16,153,298
Relatives of Key Management Personnel	Salary	Amol Mirchandani	39,649	30,955

28. Current Assets, Loans & Advances and Provisions

- The current assets and loans and advances are approximately of the value stated, if realized in the ordinary course of business.
- The provision for all known liabilities is not in excess of the amounts reasonably necessary.
- The balances of Sundry Creditors, Sundry Debtors and Loans and Advances are subject to confirmation

29. Contingent Liability not provided for in the accounts:

- Letters of credit / guarantees given / Bills discounting Rs. 1,314.32 Lacs.
- Standby letter of credit for Overseas Subsidiary Golden Harvest Middle East FZC
 - Axis Bank Rs. 3,597.37 Lacs
 - HDFC Bank Rs. 531.99 Lacs

Rs. 4,129.36 Lacs
=====
- Claims against company not acknowledged as debts Rs. 1,057.56 Lacs which includes tax dues disputed as Rs. 2.68 Lacs towards sales Tax, Rs. 249.57 Lacs towards Income Tax, Rs. 792.01 towards central excise & customs and includes Rs. 13.30 Lacs pertaining to pending suits regarding quality issue.
1. The Commissioner of Central Excise, Mumbai and Hyderabad had issued Show Cause-Cum-Demand Notices for levy of Excise Duty on clearances of Micronutrients by classifying the same as Plant Growth Regulators under Chapter Heading No. 38.08 of Central Excise Act. The Commissioner of Central Excise, Mumbai, vide his Order dated 27th November, 2006 and Commissioner of Central Excise, Hyderabad, vide his Order dated 30th November, 2005 had cancelled these demands in respect of clearance upto June, 2006. The Department has preferred appeals against the said orders. The Department has also issued periodical Show Cause Notices of about Rs. 108.20 crores to the Company in respect of clearances thereafter and the Company has replied to all such notices. In view of the Orders referred to above on the pending appeals and submissions, no action has been taken.
2. Commissioner of Central Excise, Ahmedabad – II, has passed an order confirming demand of Rs.3.81 Crores on account of Central Excise duty, interest on the said amount and penalty of like amount i.e. Rs. 3.81 Crores against which the Company has preferred an appeal before the Central Excise and Service Tax Appellate Tribunal, Ahmedabad.
The Central Board of Excise and Customs vide their Circular No. 1022/10/2016/CX dated 06/04/2016 has clarified that Micronutrients are not classifiable as Plant Growth Regulators under Chapter Heading No. 38.08 of the Central Excise Act.
Under the circumstances, and in view of legal pronouncements that the Excise Authorities cannot go beyond the Show Cause Notice, the Show Cause-Cum-Demand Notices are liable to be dropped in view of the Circular referred to above.
3. The Company has been classifying Sulphur Bentonite under Chapter Heading No. 25030090 as other forms of Sulphur. However, the Customs authorities classified Sulphur Bentonite imported under Chapter Heading No. 25030010 "as recovered byproduct in refining of crude oil". The Additional Commissioner of Customs, Nhava Sheva confirmed the classification under Chapter Heading No. 25030010 and demanded an amount of Rs. 29.91 Lakhs, in addition penalty of like amount i.e. Rs. 29.91 Lakhs along with fine and penalty of Rs.7/- Lakhs each on the Chairman & Managing Director and Purchase Manager of the Company.

NOTES to the Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

3. (Contd...)

The Company preferred an appeal before the Commissioner, Appeals, who vide order dated 19/02/2016 while upholding the Department's contention of classifying the product under Chapter Heading No. 25030010 set aside the fine and penalty imposed upon the Company, the Chairman & Managing Director and the Purchase Manager. The Commissioner Appeals also directed to grant benefit vide Sr. No. 60 under Notification No. 21/2002/CUS. The Company has preferred an appeal against the said order to the Customs, Central Excise and Service Tax Tribunal, Mumbai on 19/05/2016 contesting the classification of Sulphur Bentotonite under Chapter Heading No. 25030010.

30. Segmental Reporting as per Accounting Standard - 17

The Company has only One business Segment "Agro Inputs" as its primary segment and hence disclosure of segment-wise information is not required under Accounting Standard 17 'Segmental Information' notified pursuant to the Companies (Accounting Standard) Rules, 2006 (as amended).

31. Supplementary Profit and Loss Data	Year Ended 31 March 2016	Year Ended 31 March 2015
(a) Value of Imports calculated on CIF basis (on accrual basis) :	20,39,43,143	30,34,34,177
(b) Earnings in Foreign Currency (on accrual basis)		
F.O.B. Value of export sales	1,20,61,982	1,12,42,850
Interest on ECB Loans	1,50,517	23,69,299
(c) Expenditure in Foreign Currency (on accrual basis)		
Foreign Traveling Expenses	35,57,720	39,97,293
Interest on ECB Loans	1,50,517	23,69,299
(d) Details of Consumption of Raw Materials :		
Particulars	Year Ended 31 March 2016	Year Ended 31 March 2015
Imported	17,59,49,485 42.43%	37,38,20,979 59.61%
Indigenous	23,87,35,577 57.57%	25,33,26,153 40.39%
Total	41,46,85,062 100.00%	62,71,47,132 100.00%

32. Derivative Instrument

The Company has entered into hedging contract in respect of Interest rate on ECB Loans. The profit and loss arising on account of such hedging contract is accounted as and when payment of interest falls due.

33. The Company has acquired a vehicle in the name of the Director which is yet to be transferred in the name of the Company. The Company has all the ownership rights and Depreciation thereon has been charged at the rates prescribed in the Schedule II to the Companies Act, 2013.

34. Previous Years figures have been regrouped wherever necessary so as to make them comparable with the current year.

As per our report of even date

For Kirti D Shah & Associates
Chartered Accountants
Firm Registration No. 115133W

Kirti D Shah
Proprietor
Membership No 32371

Place : Mumbai.
Date : 30th May, 2016

For and on behalf of the Board of Directors of Aries Agro Limited

Dr. Jimmy Mirchandani
Chairman & Managing Director
DIN 00239021

Dr. Rahul Mirchandani
Executive Director
DIN 00239057

Mrs. Nitya Mirchandani
Director
DIN 06882384

Prof R S S Mani
Director
DIN 00527270

Mr. C. B. Chhaya
Proprietor
DIN 00968966

Mr. B. V. Dholakia
Director
DIN 01871816

Mr. S. Ramamurthy
Chief Financial Officer
Membership No. ACA-31200

Mr. Qaiser P. Ansari
Company Secretary
Membership No. ACS-8979

Statement Pursuant to first proviso to sub-section (3) of section 129 the Companies Act 2013, read with rule 5 of Companies (Account) Rules, 2014 in the prescribed Form AOC - 1 relating to subsidiary companies

(Rupees in Lakhs)

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding	Country
1	Aries Agro Care Pvt. Ltd.	INR	1.00	1.00	(27.34)	33.78	33.78	-	-	(0.37)	-	(0.37)	-	100 %	India
2	Aries Agro Equipments Pvt. Ltd.	INR	1.00	1.00	77.14	119.45	119.45	-	-	(0.29)	-	(0.29)	-	100 %	India
3	Aries Agro Produce Pvt. Ltd.	INR	1.00	1.00	(3.00)	-	-	-	-	(0.27)	-	(0.27)	-	75 %	India
4	Golden Harvest Middle East FZC	AED	18.04	27.06	3,863.32	13,294.57	13,294.57	622.38	1,728.21	(105.31)	-	(105.31)	-	75 %	UAE
5	Amarak Chemicals FZC	AED	18.04	541.20	1,236.93	14,734.99	14,734.99	-	4,926.43	281.23	-	281.23	-	75 % held by Golden Harvest Middle East FZC	UAE

As per our report of even date

For Kirti D Shah & Associates
Chartered Accountants
Firm Registration No. 115133W

Kirti D Shah
Proprietor
Membership No 32371

Place : Mumbai.
Date : 30th May, 2016

For and on behalf of the **Board of Directors of Aries Agro Limited**

Dr. Jimmy Mirchandani
Chairman & Managing Director
DIN 00239021

Dr. Rahul Mirchandani
Executive Director
DIN 00239057

Mrs. Nitya Mirchandani
Director
DIN 06882384

Prof R S S Mani
Director
DIN 00527270

Mr. C. B. Chhaya
Director
DIN 00968966

Mr. B. V. Dholakia
Director
DIN 01871816

Mr. S. Ramamurthy
Chief Financial Officer
Membership No. ACA-31200

Mr. Kaiser P. Ansari
Company Secretary
Membership No. ACS-8979

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

ARIES AGRO LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **ARIES AGRO LIMITED** ("the Company"), its subsidiaries and jointly controlled entities (collectively referred as "the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that

are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements / consolidated financial statements of the subsidiaries and associates as noted below, the consolidated 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:

- (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2016;
- (b) In the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - (c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the Directors of the Holding Company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors

of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2016 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as referred to in the notes of accounts to these financial statements ;
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and subsidiary companies incorporated in India.

Other Matters

Financial Statements / consolidated financial statements of certain subsidiaries which reflect total asset of Rs. 1,53,23,125/-, total revenue of Rs. NIL, net cash flow amounting to Rs. 1,01,575/- and share of loss of Rs 92,743/- for the group for the year ended 31st March, 2016 have been audited by us.

We did not audit the financial statements / consolidated financial statements of certain subsidiaries whose financial statements reflect total asset of AED 10,36,32,161/-, total revenues of AED 3,67,66,456/-, net cash flow amounting to AED 17,570/- and share of profit of the group is AED 5,85,470/- for the year ended 31st March, 2016. These financial statements / consolidated financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.

Our opinion is not qualified in respects of other matters.

For Kirti D. Shah & Associates
Chartered Accountants
Firm Registration No. 115133W

Kirti D. Shah
Proprietor
Membership No. 32371

Place : Mumbai

Date : 30th May, 2016

ANNEXURE “A” to the Independent Auditor’s Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Aries Agro Limited** (“the Company”) as of 31 March 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Kirti D. Shah & Associates
Chartered Accountants
Firm Registration No. 115133W

Kirti D. Shah
Proprietor
Membership No. 32371

Place : Mumbai

Date : 30th May, 2016

Consolidated Balance Sheet as at 31st March, 2016

(Amounts in Rupees unless stated otherwise)

Particulars	Note Nos.	As at 31 March 2016	As at 31 March 2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	130,043,390	130,043,390
(b) Reserves and Surplus	4	1,720,800,410	1,654,657,977
		1,850,843,800	1,784,701,367
(2) Minority Interest			
Minority Interest - Equity	5	273,823,270	222,584,661
Minority Interest - Non-Equity		155,095,076	137,152,410
		428,918,346	359,737,070
(3) Non-Current Liabilities			
(a) Long Term Borrowings	6	117,913,936	132,650,656
(b) Deferred Tax Liability (Net)	7	38,862,583	37,552,167
(c) Long Term Provisions	8	17,822,551	13,970,329
		174,599,071	184,173,151
(4) Current Liabilities			
(a) Short Term Borrowings	9	1,607,451,517	1,462,124,017
(b) Trade Payables	10	382,239,124	402,343,007
(c) Other Current Liabilities	11	129,198,790	144,356,223
(d) Short Term Provisions	12	56,609,565	98,413,597
		2,175,498,996	2,107,236,844
TOTAL		4,629,860,213	4,435,848,433
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	13		
(i) Tangible Assets		852,841,132	857,293,991
(ii) Intangible Assets		1,312,120	888,665
(iii) Goodwill		17,742,406	16,731,807
(iv) Capital Work-in-Progress		164,089,670	92,919,950
(b) Non-Current Investments	14	21,648,000	20,414,940
		1,057,633,327	988,249,352
(2) Current Assets			
(a) Inventories	15	1,423,811,297	1,447,224,155
(b) Trade Receivables	16	1,337,597,598	1,313,467,229
(c) Cash & Cash Equivalents	17	92,070,720	90,865,910
(d) Short Term Loans and Advances	18	718,747,271	596,041,787
		3,572,226,886	3,447,599,081
TOTAL		4,629,860,213	4,435,848,433
Summary of Significant Accounting Policies	2.1		

The Notes referred to above form an integral part of these Financial Statements

As per our report of even date

For and on behalf of the **Board of Directors** of **Aries Agro Limited**

For Kirti D Shah & Associates
Chartered Accountants
Firm Registration No. 115133W

Dr. Jimmy Mirchandani
Chairman & Managing Director
DIN 00239021

Prof R S S Mani
Director
DIN 00527270

Mr. S. Ramamurthy
Chief Financial Officer
Membership No. ACA-31200

Kirti D Shah
Proprietor
Membership No 32371

Dr. Rahul Mirchandani
Executive Director
DIN 00239057

Mr. C. B. Chhaya
Director
DIN 00968966

Mr. Kaiser P. Ansari
Company Secretary
Membership No. ACS-8979

Place : Mumbai.
Date : 30th May, 2016

Mrs. Nitya Mirchandani
Director
DIN 06882384

Mr. B. V. Dholakia
Director
DIN 01871816

Consolidated Statement of Profit and Loss for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

Particulars	Note Nos.	Year Ended 31 March 2016	Year Ended 31 March 2015
I. Revenue from Operations	19	2,845,219,671	3,047,506,772
II. Other Income	20	14,170,628	13,424,389
III. Total Revenue (I + II)		2,859,390,299	3,060,931,161
IV. Expenses :			
(a) Consumption of Materials	21	1,298,542,283	1,345,195,221
(b) (Increase) / Decrease in Inventories of Finished Goods	22	(38,330,290)	(5,458,484)
(c) Employee Benefit Expenses	23	259,366,010	276,144,280
(d) Finance Costs	24	245,483,917	241,303,673
(e) Depreciation & Amortization Expenses	13	105,803,682	98,547,514
(f) Other Expenses	25	866,927,433	880,352,569
Total Expenses		2,737,793,034	2,836,084,772
V. Profit Before Tax (PBT) - (III - IV)		121,597,265	224,846,388
VI. Provision for Taxation			
(i) Tax Expense			
Current Tax		36,500,000	55,400,000
Deferred Tax		1,310,416	(26,070,068)
(ii) Wealth tax		-	150,000
		37,810,416	29,479,932
VII. Profit After Tax (Before Minority Interest) (PAT) - (V - VI)		83,786,849	195,366,456
Less :- Share of Profit transferred to Minority Interest		9,371,420	23,446,146
VIII. Profit After Tax (After Minority Interest)		74,415,429	171,920,310
Less :- Short Provision for Tax in Earlier Years		2,160,597	3,304,278
IX. Profit / (Loss) for the period		72,254,832	168,616,033
X. Earnings per Equity Share	26		
(1) Basic & Diluted		5.56	12.97
(2) Diluted			
Summary of Significant Accounting Policies	2.1		

The Notes referred to above form an integral part of these Financial Statements

As per our report of even date

For and on behalf of the **Board of Directors of Aries Agro Limited**

For Kirti D Shah & Associates
Chartered Accountants
Firm Registration No. 115133W

Dr. Jimmy Mirchandani
Chairman & Managing Director
DIN 00239021

Prof R S S Mani
Director
DIN 00527270

Mr. S. Ramamurthy
Chief Financial Officer
Membership No. ACA-31200

Kirti D Shah
Proprietor
Membership No 32371

Dr. Rahul Mirchandani
Executive Director
DIN 00239057

Mr. C. B. Chhaya
Director
DIN 00968966

Mr. Qaiser P. Ansari
Company Secretary
Membership No. ACS-8979

Place : Mumbai.
Date : 30th May, 2016

Mrs. Nitya Mirchandani
Director
DIN 06882384

Mr. B. V. Dholakia
Director
DIN 01871816

Consolidated Statement of Cash Flows for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

Sr. No.	Particulars	Year Ended 31 March, 2016	Year Ended 31 March, 2015
A)	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax as per Statement of Profit and Loss	121,597,265	224,846,388
	Adjusted for :		
	Depreciation and Amortisation Expense	105,803,682	98,547,514
	Loss on Sale of Assets (net)	3,728,926	2,195,852
	Effect of Exchange Rate Change	(30,785,600)	(3,292,085)
	Proposed Dividend	(19,506,509)	(26,008,678)
	Dividend Distribution Tax	(3,971,066)	(5,325,191)
	Interest Income	(13,462,108)	(12,597,695)
	Finance Costs	245,483,917	241,303,673
	Operating Profit before Working Capital Changes	408,888,507	519,669,778
	Adjusted for :		
	(Increase) / Decrease in Trade Receivables	(24,130,369)	4,504,726
	(Increase) / Decrease in Inventories	23,412,858	(79,628,604)
	Increase / (Decrease) in Trade Payables	(20,103,884)	(9,992,329)
	Increase / (Decrease) in Provisions & Other Current Liabilities	(21,775,373)	9,072,295
	Cash Generated from Operations,	366,291,739	443,625,867
	Prior Year Adjustments (Net)	(2,160,597)	(3,304,278)
	Taxes Paid	(36,500,000)	(55,550,000)
	Net Cash Flow from Operating Activities (A)	327,631,142	384,771,589
B)	CASH FLOW FROM INVESTING ACTIVITIES :		
	Purchase of Fixed Assets (Tangible Fixed Assets, Capital work in progress (WIP)	(146,308,688)	(74,330,636)
	Proceeds from Sale of Fixed Assets	6,171,461	4,673,352
	Investments in Long Term Investments	-	(818,440)
	Movement in Short Term Loans and Advances	(122,705,484)	(56,505,607)
	Interest Income	13,462,108	12,597,695
	Net Cash Flow from / (used in) Investing Activities (B)	(249,380,603)	(114,383,637)
C)	CASH FLOW FROM FINANCIAL ACTIVITIES:		
	Proceeds from Issue of Share Capital, Increase in Share Application Money, Shareholders Current Account	69,181,276	41,597,787
	Dividend Paid	(26,008,678)	(26,008,678)
	Tax on Dividend paid	(5,325,191)	(4,420,175)
	Long Term Borrowings (Net)	(14,736,719)	(55,804,198)
	Short Term Borrowings (Net)	145,327,500	(20,134,783)
	Finance Costs	(245,483,917)	(241,303,673)
	Net Cash (used in) / from financing activities (C)	(77,045,729)	(306,073,719)
	Net Increase in Cash and Cash Equivalents	1,204,810	(35,685,767)
	Opening Balance of Cash and Cash Equivalents	90,865,910	126,551,676
	Closing Balance of Cash and Cash Equivalents	92,070,720	90,865,910

As per our report of even date

For and on behalf of the **Board of Directors of Aries Agro Limited**

For Kirti D Shah & Associates
Chartered Accountants
Firm Registration No. 115133W

Dr. Jimmy Mirchandani
Chairman & Managing Director
DIN 00239021

Prof R S S Mani
Director
DIN 00527270

Mr. S. Ramamurthy
Chief Financial Officer
Membership No. ACA-31200

Kirti D Shah
Proprietor
Membership No 32371

Dr. Rahul Mirchandani
Executive Director
DIN 00239057

Mr. C. B. Chhaya
Director
DIN 00968966

Mr. Qaiser P. Ansari
Company Secretary
Membership No. ACS-8979

Place : Mumbai.
Date : 30th May, 2016

Mrs. Nitya Mirchandani
Director
DIN 06882384

Mr. B. V. Dholakia
Director
DIN 01871816

NOTES to the Consolidated Financial Statements for the Year Ended 31st March, 2016

1. Corporate Information

Aries Agro Limited ('Aries' or the 'Company') was incorporated at Mumbai in 1969 for manufacturing of small range of mineral feed additives for animals & birds and then diversified into mineral additives for the agriculture use and currently is into business of manufacturing micronutrients and other nutritional products for plants and animals.

In January, 2007 the Company incorporated Aries Agro Care Private Limited as a Wholly Owned Subsidiary for carrying business in the Branches of agro protection, agro and seeds etc.

In January, 2007 the Company incorporated Aries Agro Equipments Private Limited as a Wholly Owned Subsidiary for carrying business in all type of farm equipments, machinery etc.

In 2008 the Company acquired 75% Shares in Golden Harvest Middle East FZC, Sharjah, UAE, by virtue of which the said Golden Harvest Middle East FZC has become a Subsidiary of the Company. Golden Harvest Middle East FZC is in the business of manufacturing chelated micronutrients.

In June, 2008 the Company incorporated Aries Agro Produce Private Limited as a Subsidiary for carrying business in all kinds of farming etc.

In the year 2010 the Company's Overseas Subsidiary viz M/S Golden Harvest Middle East FZC acquired 75% Shares of M/S Amarak Chemicals FZC based in Fujairah Free Zone, UAE by virtue of which M/S Amarak Chemicals FZC has become a Step Down Subsidiary of Aries Agro Limited.

Aries Agro Limited and its Subsidiaries ('the Group') are engaged in manufacture and trading of Micronutrient Fertilizers, Farm Equipments ranging from individual elements to mixed specialty plant nutrient fertilizers. Since 1969, Aries has pioneered several **innovative concepts of farming** to Farming Community, including the wonder of Chelation Technology, bio-degradable complexes of plant nutrients, water soluble NPK fertilizers, value added secondary nutrients, natural and biological products and water treatment formulations.

2. Basis of preparation and consolidation

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Group has prepared these consolidated financial statements to comply in all material respects with the Accounting Standards, notified by the Companies Accounting Standards Rules, 2014 (as amended) and the relevant provisions of the Companies Act, 2013 to reflect the financial position and the results of operations of "ARIES GROUP" together with its subsidiary companies. The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention except in case of assets for which provision for impairment is made and revaluation is carried out.

The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year except for change in accounting policy as explained in 2.1(A) (i) below.

All material inter-company transactions and balances between the entities included in the consolidated financial statements have been eliminated. The excess of the purchase price over the proportionate share of the book value of the net assets of the acquired subsidiary company on the date of investment is recognised in the consolidated financial statements as goodwill and disclosed under Intangible Assets. In case the cost of investment in subsidiary companies is less than the proportionate share of the book value of the net assets of the acquired subsidiary company on the date of investment, the difference is treated as capital reserve and shown under Reserves and surplus.

A portion of net assets that is not attributed to the parent is attributed to the minority interest. If accumulated losses of subsidiary that would otherwise be attributed to the minority interest exceeds the accumulated amount of the minority interest the same is attributed to the parent's interest. In such case, when the subsidiary raises net income in succeeding periods, the income would be attributed to the parent's interest until the accumulated losses that has previously been attributed to the parents are recovered.

2.1 Summary of significant accounting policies

A. (i) Basis of preparation of financial statements :

The financial statements are prepared under the historical cost convention, except for certain fixed assets which are revalued, in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 2013.

(ii) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

B. Tangible fixed assets

Fixed assets are stated at cost, except for revalued freehold land and buildings, which are shown at estimated replacement cost as determined by valuers less impairment loss, if any, net of accumulated depreciation and accumulated impairment losses, if any. The cost

NOTES to the Consolidated Financial Statements for the Year Ended 31st March, 2016

comprises purchase price, borrowing costs if capitalization criteria are met and other directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Leasehold land on a lease-cum-sale basis are capitalised at the allotment rates charged by the Municipal Authorities.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including routine repair and maintenance expenditure and cost of replacing parts, are charged to the consolidated statement of profit and loss for the period during which such expenses are incurred.

The Company adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset.

Gains or losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

C. Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule II to the Companies Act, 2013, whichever is higher.

- a) The cost of Property, Plant and Equipment for Subsidiary “**Golden Harvest Middle East FZC**” is depreciated by equal annual installments over the estimated useful lives of Assets. The estimated useful lives of the Assets for the calculation of Depreciation are as follows :

Name of the Asset	Years
Building	20
Machineries	10
Equipments	5
Office Furniture	5
Motor Vehicles	4

- b) The cost of Property, Plant and Equipment for Subsidiary “**Amarak Chemicals FZC**” is depreciated by equal annual installments over the estimated useful lives of Assets. The estimated useful lives of the Assets for the calculation of Depreciation are as follows:

Name of the Asset	Years
Building	20
Machineries	10
Furniture, Fixture and Office Equipments	5
Motor Vehicles	4

Leasehold improvements are being depreciated over the lease term or estimated useful life whichever is lower. Used assets acquired from third parties are depreciated on a straight line basis over their remaining useful life of such assets.

The depreciation charge over and above the depreciation calculated on the original cost of the revalued assets is transferred from the revaluation reserve to the statement of profit and loss.

D. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Computer Software which is not an integral part of the related hardware is classified as an intangible asset.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

Gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

Goodwill

Goodwill represents the excess of the purchase price over the book value of the net assets of the acquired subsidiary company on the date of investment. Goodwill is not amortised but is tested for impairment on a yearly basis

E. Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

NOTES to the Consolidated Financial Statements for the Year Ended 31st March, 2016

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

F. Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

G. Inventories

Inventories are valued as follows:

- (i) **Raw materials and packing materials** : 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 a first-in-first out basis. Customs duty on imported raw materials (excluding stocks in the bonded warehouse) is treated as part of the cost of the inventories.
- (ii) **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. Cost of finished goods includes excise duty.
- (iii) **Traded goods** : Lower of cost and net realizable value. Cost includes the purchase price and other associated costs directly incurred in bringing the inventory to its present location.
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.
- (iv) Waste and scrap are not separately valued being insignificant in value

H. 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. The following specific recognition criteria must also be met before revenue is recognised.

(i) Sale of products:

Revenue from sale of products is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

(ii) Interest Income:

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

(iii) Dividend income:

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

I. Investments

Investments that are readily realisable and intended to be held for not more than twelve months from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments.

NOTES to the Consolidated Financial Statements for the Year Ended 31st March, 2016

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements 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 recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

J. Retirement benefits

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss for the year when the contributions to the government funds are due. The Company has no obligation other than the contribution payable to provident fund authorities.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The gratuity benefit of the Company is administered by a trust formed for this purpose through the group gratuity scheme. Actuarial gains and losses for defined benefit plan are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond 12 months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

K. Foreign currency translation

The transactions in foreign currency are accounted at the exchange rate i.e. custom rate prevailing on the date of transaction. Exchange fluctuation between the transaction date and settlement date in respect of transactions are transferred to exchange rate difference account and written off to the statement of profit & loss.

Current assets and current liabilities involving transactions in foreign currency are converted at the exchange rates prevailing on the date of Balance Sheet. Any profit and loss arising out of such conversion is charged to the statement of profit and loss.

Non-monetary items i.e. investments are converted at the rate prevalent on the date of transaction.

L. Income tax

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax liability is recognised for all taxable timing differences. 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. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each reporting 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.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

NOTES to the Consolidated Financial Statements for the Year Ended 31st March, 2016

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on "Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961", the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

M. Earnings Per Share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

N. Operating lease

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

O. Segment reporting

Identification of segments

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and services to different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operates.

P. Provisions

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

Q. Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or nonoccurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

R. 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 directly 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 statement of profit and loss. Income earned during construction period is deducted from the total of the indirect expenditure. All direct capital expenditure on expansion is capitalised. As regards indirect expenditure on expansion, only that portion is capitalised which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalised only if they increase the value of the asset beyond its original standard of performance.

S. Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

All the accounting policies as mentioned above will be applied at the relevant time.

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

3 SHARE CAPITAL	As at 31 March 2016	As at 31 March 2015
Authorised Share Capital		
1,50,00,000 Equity Shares of Rs. 10/- each	150,000,000	150,000,000
Total	150,000,000	150,000,000
Issued, Subscribed and Paidup		
1,30,04,339 Equity Shares of Rs.10/- each.	130,043,390	130,043,390
Total	130,043,390	130,043,390

3.1 66,00,700 Equity Shares out of the Issued, Subscribed and Paidup Share Capital were allotted as fully paidup Bonus Shares since incorporation by capitalisation of Rs. 4.90 Crores from Revaluation Reserve, Rs. 0.91 Crores from Securities Premium Account and Rs. 0.79 Crores from Statement of Profit and Loss.

3.2 17,00,700 Equity Shares out of the Issued, Subscribed and Paidup Share Capital were allotted as fully paid Bonus Shares during the Financial Year 2006-07 by capitalisation of Rs. 0.91 Crores from Securities Premium Account and Rs. 0.79 Crores from Statement of Profit and Loss.

3.3 Reconciliation of Number of Shares Outstanding

Particulars	As at 31 March 2016 No. of Shares	As at 31 March 2015 No. of Shares
Equity Shares at the beginning of the year	13,004,339	13,004,339
Add : - Issued during the year	-	-
Less :- Shares cancelled during the year	-	-
Equity Shares at the end of the year	13,004,339	13,004,339

3.4 List of Shareholder's holding more than 5 percent of Shares

Name of the Shareholder	No. of Shares	As at 31 March 2016 % Held	No. of Shares	As at 31 March 2015 % Held
(i) Dr. Jimmy Mirchandani	3,524,830	27.11%	3,524,830	27.11%
(ii) Dr. Rahul Mirchandani	2,623,221	20.17%	2,623,221	20.17%

4 RESERVES AND SURPLUS	As at 31 March 2016	As at 31 March 2015
Foreign Currency Translation Reserve	81,238,496	79,223,316
Legal Reserve	15,952,844	12,392,022
Securities Premium Reserve		
As per last Balance Sheet	490,037,050	490,037,050
	490,037,050	490,037,050
Revaluation Reserve		
As per last Balance Sheet	-	70,911,340
Less : WDV of Assets W/off having zero remaining useful life due to change in method of Depreciation in line with Companies Act, 2013	-	70,911,340
	-	-
General Reserve		
As per last Balance Sheet	97,956,310	87,956,310
Add : Transfer from Statement of Profit & Loss	5,000,000	10,000,000
	102,956,310	97,956,310

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

4 RESERVES AND SURPLUS (Contd...)	As at 31 March 2016	As at 31 March 2015
Surplus in the Statement of Profit & Loss		
As per last Balance Sheet	989,625,799	919,761,037
Add:- Profit for the year	72,254,832	168,616,033
Loss Attributable to Minority Interest	25,000	20,097
	<u>1,061,905,631</u>	<u>1,088,397,168</u>
Less:- Appropriations		
WDV of Assets W/off having zero remaining useful life due to change in method of Depreciation	-	68,455,219
Transfer to General Reserve	5,000,000	10,000,000
Proposed Dividend on Equity Shares { Dividend Per Share Rs. 1.50 (Previous Year Rs 2/-)	19,506,509	26,008,678
Dividend Distribution Tax	3,971,066	5,325,191
Transfer to Legal Reserve	2,812,346	3,558,800
	<u>31,289,921</u>	<u>113,347,888</u>
	<u>1,030,615,710</u>	<u>975,049,279</u>
Total	<u>1,720,800,410</u>	<u>1,654,657,977</u>

5 MINORITY INTEREST	As at 31 March 2016	As at 31 March 2015
Minority Interest - Equity	273,823,270	222,584,661
Minority Interest - Non Equity	155,095,076	137,152,410
	<u>428,918,346</u>	<u>359,737,070</u>

5.1 Minority Interest as at 31st March, 2016, represents that part of the profit / (Loss) and net assets of Golden Harvest Middle East FZC to the extent of 375 Shares (25%) and Amarak Chemicals FZC to the extent of 5,000 Shares (25%) held by other parties.

5.2 Share of Minority Shareholders in accumulated losses is restricted to the amount of their Equity only.

6 LONG TERM BORROWINGS	As at 31 March 2016	As at 31 March 2015
Secured Term Loans		
Term Loans from Banks	11,308,644	16,405,865
	<u>11,308,644</u>	<u>16,405,865</u>
Un-Secured Term Loans		
Term Loans from Banks	106,605,292	116,244,791
	<u>106,605,292</u>	<u>116,244,791</u>
Total	<u>117,913,936</u>	<u>132,650,656</u>

6.1 Secured Term Loans from Banks referred above to the extent of :

Particulars	As at 31 March 2016	As at 31 March 2015
(a) Secured by way of Charge on the Company's Motor Vehicles.	11,308,644	5,762,018
(b) Secured by way of Primary Charge on all Fixed Assets at Mouje Rajpur, Gujarat and personally guaranteed by Directors.	-	5,120,985
(c) Secured by way of Primary Charge on Solar Panel at Pashamylaram, Andhrapradesh and personally guaranteed by Directors.	-	2,274,003
(d) Secured by way of Pari Pasu Charge on all Fixed Assets at Deonar, Mumbai and personally guaranteed by Directors.	-	3,248,858
	<u>11,308,644</u>	<u>16,405,865</u>

6.2 Un-Secured Term Loans from Banks are secured by way of Charge on personal Assets of Directors and guaranteed by the Directors.

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

6.3 Maturity Profile of Secured Term Loans are as set out below :

Particulars	F Y 2016-17*	F Y 2017-18	F Y 2018-19	F Y 2019-20
(a) Term Loans from Banks	15,216,773	3,954,929	3,236,487	4,117,229

* Refer Note No. 11

6.4 Maturity Profile of Un-Secured Term Loans are as set out below :

Particulars	F Y 2016-17*	F Y 2017-18	F Y 2018-19	F Y 2019-20
(a) Term Loans from Banks	9,639,499	10,862,028	12,239,606	83,503,658

* Refer Note No. 11

7 DEFERRED TAX LIABILITY

Deferred Tax Liability

Related to Fixed Assets : Impact of difference between income tax depreciation and depreciation charged for the financial reporting.

Gross Deferred Tax Liability

Deferred Tax Assets

Disallowance under the Income Tax Act, 1961 U/s 43B

Gross Deferred Tax Asset

Net Deferred Tax Liability

	As at 31 March 2016	As at 31 March 2015
	42,414,085	40,373,167
	42,414,085	40,373,167
	3,551,502	2,821,000
	3,551,502	2,821,000
	38,862,583	37,552,167

8 LONG TERM PROVISIONS

Employee Related

Provision for Gratuity

Provision for Leave Salary

Total

	As at 31 March 2016	As at 31 March 2015
	9,084,313	6,921,744
	8,738,238	7,048,585
	17,822,551	13,970,329

9 SHORT TERM BORROWINGS

Secured Borrowings

Working Capital Facilities from Banks

Un-Secured Borrowings

Working Capital Facilities from Banks

From Related Parties

From Others

Security Deposits

Total

	As at 31 March 2016	As at 31 March 2015
	986,985,945	834,364,649
	986,985,945	834,364,649
	404,610,591	381,564,160
	12,190,110	40,780,593
	119,334,600	129,417,960
	84,330,271	75,996,654
	620,465,572	627,759,368
	1,607,451,517	1,462,124,017

9.1 Working Capital Facilities from Banks are secured by way of Charge on Company's Inventory, Book Debts, Charge on Land, Building, Plant & Machinery and all other movable fixed assets of the Company and guaranteed by Directors.

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

9.2 Working Capital Facilities from Banks includes :

Particulars	As at 31 March, 2016	As at 31 March, 2015
a) Cash Credit Facilities	876,206,637	728,116,232
b) Buyers Credit	110,779,308	106,248,417
	<u>986,985,945</u>	<u>834,364,649</u>

9.3 Working Capital Facilities from Banks shown under Un-secured borrowings includes :

Particulars	As at 31 March, 2016	As at 31 March, 2015
a) Loans repayable on demand		
i) Axis Bank	351,374,100	331,359,995
ii) HDFC Bank	53,236,491	50,204,165
	<u>404,610,591</u>	<u>381,564,160</u>

9.4 Loan from Related parties includes amount payable to Mirabelle Holdings

10 TRADE PAYABLES

	As at 31 March 2016	As at 31 March 2015
Creditors for Goods	121,082,149	210,111,466
Creditors for Expenses	151,561,485	124,054,037
Outstanding Expenses	109,595,490	68,177,505
Total	<u>382,239,124</u>	<u>402,343,007</u>

10.1 There are no Micro and Small Enterprises to whom Company owes dues, which are outstanding for more than 45 days as at 31st March, 2016. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

11 OTHER CURRENT LIABILITIES

	As at 31 March 2016	As at 31 March 2015
Current Maturities of Long Term Debt (Refer Note No. 6.3 & 6.4)	24,856,272	70,816,488
Interest Accrued but not due on Borrowings	3,514,017	2,811,157
Unclaimed Dividend	2,558,635	2,362,789
Advance/Credits from Customers	33,359,248	14,301,585
Dues to Directors	44,872,945	32,437,495
Statutory Dues	20,037,674	21,626,709
Total	<u>129,198,790</u>	<u>144,356,223</u>

11.1 Current Maturities of Long Term Debt includes amount repayable within one year of :

Particulars	As at 31 March 2016	As at 31 March 2015
(a) Secured Term Loans from Banks	15,216,773	62,261,924
(b) Un-Secured Term Loans from Banks	9,639,499	8,554,564
	<u>24,856,272</u>	<u>70,816,488</u>

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

11.2 Secured Term Loans from Banks included in Current Maturities of Long Term Debt to the extent of :

Particulars	As at 31 March 2016	As at 31 March 2015
(a) Secured by way of Charge on the Company's Motor Vehicles.	4,841,985	5,961,183
(b) Foreign Currency Term Loan which is secured by way of Equitable Mortgage of Land and Building and personal guarantee of Directors.	-	31,128,740
(c) Axis Bank Ltd by way of Primary Charge on all Fixed Assets at Mouje Rajpur, Gujarat and personally guaranteed by Directors.	4,900,669	20,000,000
(d) Canara Bank by way of Primary Charge on Solar Panel at Pashamylaram, Andhrapradesh and personally guaranteed by Directors.	2,253,934	2,129,538
(e) Canara Bank by way of Pari Pasu Charge on all Fixed Assets at Deonar, Mumbai and personally guaranteed by Directors.	3,220,185	3,042,462
	15,216,773	62,261,924

11.3 Un-Secured Term Loans from Banks included in Current Maturities of Long Term Debt to the extent of Rs. 96,39,499/- are secured by way of Charge on personal Assets of Directors and guaranteed by the Directors.

11.4 Unclaimed Dividend do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

11.5 Statutory Dues includes Indirect Taxes, Tax Deducted at Source, Bonus, ESIC, Provident Fund and Profession Tax.

12 SHORT TERM PROVISIONS	As at 31 March 2016	As at 31 March 2015
Employee Related		
Provision for Gratuity	3,537,752	9,632,309
Provision for Leave Salary	4,376,960	5,954,426
Other Provisions		
Proposed Dividend	19,506,509	26,008,678
Dividend Distribution Tax	3,971,066	5,325,191
Provision for Income Tax (Net of Advance Tax / TDS)	25,217,277	51,342,993
Provision for Wealth Tax	-	150,000
Total	56,609,565	98,413,597

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2016

13. Fixed Assets Consolidated Schedule of Fixed Assets for the year ended 31st March , 2016

(Amounts in Rupees unless stated otherwise)

Sr No	Particulars	Gross Block				Depreciation Block				Net Block				
		Balance as on 31-Mar-15	Additions during the year	Deductions During the year	Adjustment on A/c of Exchange Rate	Balance as on 31-Mar-16	Balance as on 31-Mar-15	Provided during the year	Amount charged from Opening Retained Earnings as on 01/04/2014	Deductions during the year	Adjustment on A/c of Exchange Rate	Total as on 31-Mar-16	As on 31-Mar-16	As on 31-Mar-15
Tangible Assets														
1	Land	13,456,619	-	-	-	13,456,619	-	-	-	-	-	-	13,456,619	13,456,619
2	Factory Building	6,03,032,250	1,707,796	-	17,929,250	622,669,296	257,404,853	18,999,006	-	-	4,407,071	280,810,930	341,858,366	345,627,397
3	Residential Flat	350,000	-	-	-	350,000	104,347	5,565	-	-	-	109,912	240,088	245,653
4	Plant & Machinery	722,554,232	56,285,917	5,988,773	39,773,922	812,655,297	280,672,747	72,281,574	-	4,360,335	17,360,507	365,954,494	446,700,803	441,881,485
5	Electrical Installations	21,355,409	-	1,564,616	201,665	19,992,458	4,997,824	2,120,431	-	1,315,879	76,122	5,878,499	14,113,958	16,357,585
6	Laboratory Equipments	2,219,893	332,799	303,032	-	2,249,660	1,097,474	283,340	-	153,863	-	1,226,951	1,022,709	1,122,419
7	Office Equipments	8,163,429	901,575	291,795	168,710	8,941,920	6,594,775	854,631	-	283,749	145,657	7,311,314	1,630,606	1,568,655
8	Furniture & Fixtures	20,420,464	74,745	91,599	115,937	20,519,547	9,979,016	2,263,371	-	91,599	110,586	12,261,374	8,258,173	10,441,448
9	Air Conditioners	3,527,371	647,412	606,693	17,705	3,585,794	3,081,908	238,067	-	577,203	17,705	2,760,477	825,317	445,462
10	Computer	7,615,967	545,201	441,600	-	7,719,568	6,778,765	402,829	-	439,853	-	6,741,741	977,827	837,202
11	Vehicles	43,948,878	15,025,249	14,860,468	943,753	45,057,412	20,941,199	7,644,067	-	6,006,766	521,041	23,099,542	21,957,870	23,007,678
12	Commercial Vehicles	6,094,306	315,000	878,501	56,001	5,586,806	3,791,918	607,089	-	647,397	36,401	3,788,011	1,798,795	2,302,388
	Sub - Total	1,452,738,817	75,835,694	24,997,077	59,206,943	1,562,784,376	595,444,826	105,699,970	-	13,876,643	22,675,091	709,943,245	852,841,132	857,293,991
	Previous Year Rs.	1,339,407,562	89,906,276	15,401,130	38,826,108	1,452,738,817	354,211,136	98,547,514	139,236,522	8,527,357	11,977,011	595,444,826	857,293,991	985,196,426
Intangible Assets														
13	Computer Software	17,658,898	527,167	-	-	18,186,065	16,770,233	103,711	-	-	-	16,873,945	1,312,120	888,664
14	Goodwill	16,731,807	-	-	1,010,599	17,742,406	-	-	-	-	-	-	17,742,406	16,731,807
	Sub - Total	34,390,705	527,167	-	1,010,599	35,928,471	16,770,233	103,711	-	-	-	16,873,945	19,054,526	17,620,471
	Previous Year Rs.	33,701,333	4,410	-	684,962	34,390,705	16,640,196	-	130,037	-	-	16,770,233	17,620,471	17,061,137
15	Capital Work in Progress	-	-	-	-	-	-	-	-	-	-	-	164,089,670	92,919,950
	Sub - Total	-	-	-	-	-	-	-	-	-	-	-	164,089,670	929,19,950
	Previous Year Rs.	-	-	-	-	-	-	-	-	-	-	-	92,919,950	108,500,000
	Grand Total	1,487,129,521	76,362,861	24,997,077	60,217,542	1,598,712,847	612,215,059	105,803,682	-	13,876,643	22,675,091	726,817,190	1,035,985,327	967,834,412
	Previous Year Rs.	1,373,108,895	89,910,686	15,401,130	39,511,069	1,487,129,521	370,851,332	98,547,514	139,366,559	8,527,357	11,977,011	612,215,059	967,834,412	1,110,757,563

13.1 The Gross Block of Fixed Assets includes Rs. 176,000,000/- (Previous Year Rs. 176,000,000/-) on account of revaluation of Building carried out in F Y 1994-95.

13.2 Capital Work in Progress represents Advance for Existing Office Building renovation. On completion the Capital Work in Progress will be allocated to relevant Assets.

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

14 NON-CURRENT INVESTMENTS	As at 31 March 2016	As at 31 March 2015
Trade Investments		
In Equity Shares of Foreign Subsidiary Companies - Unquoted, Fully paidup		
(a) (48,000 Equity Shares of AED 25 each) - MAPCO Fertilizers Industries FZC	21,648,000	20,414,940
Total	21,648,000	20,414,940

15 INVENTORIES	As at 31 March 2016	As at 31 March 2015
(At lower of cost or Net Realisable Value)		
(As Certified and valued by the Management)		
Raw Materials	487,016,965	535,036,562
Finished Goods	610,847,724	571,398,441
Stock-in-Trade (in respect of Goods acquired for Trading)	233,087,282	244,473,454
Packing Materials	92,859,326	96,315,698
Total	1,423,811,297	1,447,224,155

16 TRADE RECEIVABLES	As at 31 March 2016	As at 31 March 2015
(Unsecured - Considered Good)		
Outstanding for a period exceeding six months	257,500,261	315,757,964
Others	1,080,097,337	997,709,265
Total	1,337,597,598	1,313,467,229

17 CASH AND CASH EQUIVALENTS	As at 31 March 2016	As at 31 March 2015
Balance with Scheduled Banks in Current Accounts	43,237,744	46,847,006
Cash on hand	490,226	559,291
Balance with Scheduled Banks in Fixed Deposit Accounts	48,342,750	43,459,612
Total	92,070,720	90,865,910

17.1 Balance with Banks includes Unclaimed Dividend of Rs. 25.59 Lacs (Previous Year Rs. 23.63).

17.2 The Fixed Deposits are kept as Margin against various Credit Limits / Guarantees.

18 SHORT TERM LOANS AND ADVANCES	As at 31 March 2016	As at 31 March 2015
Loans and Advances to Related Parties (Refer Note No. 28)	53,799,713	54,988,419
Balances with Customs, Central Excise, Sales Tax Authorities	8,300,394	6,534,947
Deposits	11,652,004	11,999,127
Others	644,995,160	522,519,293
Total	718,747,271	596,041,787

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

18.1 Other Advances includes :

Particulars	As at 31 March 2016	As at 31 March 2015
a) Advance to Suppliers	625,396,421	500,320,799
b) Advance to Staff against expenses	5,176,999	3,235,070
c) Imprest Advance for Vehicle Expenses	403,932	172,450
d) Interest Accrued but not due	1,886,876	1,714,151
e) Prepaid Expenses	11,161,994	16,058,197
f) Staff Loans	968,937	1,018,627
	644,995,160	522,519,293

19 REVENUE FROM OPERATIONS

Sales of Products

Manufactured

Traded

Less:-Excise Duty

Total

Year Ended 31 March 2016	Year Ended 31 March 2015
1,953,528,425	18,83,749,011
944,056,754	1,213,964,816
2,897,585,178	3,097,713,827
52,365,507	50,207,056
2,845,219,671	3,047,506,772

19.1 Particulars of Sale of Products :

Particulars	Year Ended 31 March, 2016		Year Ended 31 March, 2015	
Manufactured Products				
(a) Agricultural Mirconutrient and Speciality Fertilizers	1,464,601,403		1,336,349,384	
(b) Plant Nutrients	257,556,724		312,561,326	
(c) Insecticides and Pesticides	223,529,887		227,376,208	
(d) Animal Feed and Feed Concentrates	-		489,910	
(e) Others	7,840,412		6,972,182	
	1,953,528,425		1,883,749,011	
Less :- Excise Duty	52,365,507	1,901,162,918	50,207,056	1,833,541,955
Traded Products				
(a) Agricultural Mirconutrient and Speciality Fertilizers	372,233,128		600,440,013	
(b) Plant Nutrients	293,870,416		393,826,872	
(c) Insecticides and Pesticides	-		426,556	
(d) Agri Equipments	523,760		26,878,837	
(e) Others	277,429,450	944,056,754	192,392,538	1,213,964,816
Total	2,845,219,671		3,047,506,772	

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

20 OTHER INCOME	Year Ended 31 March 2016	Year Ended 31 March 2015
Interest Income on :		
Bank Fixed Deposits	4,097,735	3,576,797
Others	9,364,373	9,020,898
Other Non-Operating Income		
Misc. / Other Income	129,634	243,926
Re-Processing Charges	578,885	168,429
Profit on Sale of Asset	-	414,339
Total	14,170,628	13,424,389

21 CONSUMPTION OF MATERIALS	Year Ended 31 March 2016	Year Ended 31 March 2015
1) Opening Stock of Raw Materials	543,360,273	463,812,394
Add : Purchases	461,813,217	671,781,301
	1,005,173,491	1,135,593,695
Less : Closing Stock of Raw Materials	480,216,982	529,394,941
Raw Material Consumed	524,956,509	606,198,754
2) Opening Stock of Traded Products	248,951,326	250,030,465
Add : Purchases	593,732,951	585,687,378
	842,684,278	835,717,844
Less : Closing Stock of Traded Products	228,206,096	241,438,453
Cost of Goods Sold	614,478,182	594,279,390
3) Opening Stock of Packing Materials	96,481,799	96,199,350
Add : Purchases	155,377,208	144,720,845
	251,859,006	240,920,196
Less : Closing Stock of Packing Materials	92,751,413	96,203,119
Packing Materials Consumed	159,107,593	144,717,077
Consumption of Materials (1+2+3)	1,298,542,283	1,345,195,221

22 (INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS	Year Ended 31 March 2016	Year Ended 31 March 2015
Inventories at the beginning of the year		
Finished Goods	572,032,051	565,510,511
	572,032,051	565,510,511
Inventories at the end of the year		
Finished Goods	610,362,342	570,968,995
(Increase) / Decrease in Inventories	(38,330,290)	(5,458,484)

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

23 EMPLOYEE BENEFIT EXPENSES	Year Ended 31 March 2016	Year Ended 31 March 2015
Salary and Wages	195,073,744	200,891,911
Directors Remuneration	31,010,454	34,073,449
Contribution to Provident & Other Funds	24,974,293	31,323,940
Staff Welfare Expenses	8,307,520	9,854,981
Total	259,366,010	276,144,280

23.1 As per Accounting Standard 15 "Employee Benefits", the disclosures as defined in the Accounting Standard are given below :

Particulars	As at 31 March, 2016	As at 31 March, 2015
Defined Contribution Plans		
Contribution to Defined Contribution Plans, recognised as expense for the year is as under :		
Employer's Contribution to Provident Fund	16,033,666	15,052,323

All Permanent Employees having served from the 1st day of their employment are entitled to the benefits of the contribution to Provident Fund.

The Company contributes specified percentage of the salary paid to Employees to the Defined Fund.

Defined Benefit Plan

All Employees who have completed five years or more of service are entitled to benefits of Gratuity. The Company has the Employee's Gratuity scheme managed by Life Insurance Corporation of India which is a Defined Benefits Plan. The present value of obligation is determined based on actuarial valuation. The obligation for Leave Encashment is recognised in the same manner as Gratuity.

I Reconciliation of Opening and Closing balances of Defined Benefit Obligation

	Gratuity		Leave Encashment	
	2015-16	2014-15	2015-16	2014-15
Defined Benefit obligation at beginning of year	49,923,584	44,415,456	8,299,501	6,564,578
Interest Cost	3,993,887	3,553,236	643,211	607,223
Current Service Cost	3,537,752	3,283,892	1,885,385	1,631,033
Benefits paid	(8,140,743)	(7,683,578)	(244,691)	(117,740)
Actuarial (gain) / loss	2,050,066	6,281,442	(321,915)	(385,593)
Defined Benefits obligation at year end	51,364,546	49,850,448	10,261,491	8,299,501

II Reconciliation of opening and closing balances of fair value of Plan Assets

	Gratuity	
	2015-16	2014-15
Fair value of plan assets at beginning of the year	43,080,578	41,320,730
Expected return on plan assets	3,222,950	3,486,261
Actuarial gain / (loss)	-	-
Employer Contribution	10,129,709	5,655,057
Benefits paid	(8,140,743)	(7,683,578)
Fair value of Plan assets at year end	48,292,494	42,778,470
Actual return on plan assets	3,222,950	3,486,261

III Reconciliation of fair value of assets and obligations

	Gratuity		Leave Encashment	
	2015-16	2014-15	2015-16	2014-15
Fair value of plan assets	48,292,494	42,778,470	-	-
Present value of obligation	51,364,546	49,850,448	10,261,491	8,299,501
Amount recognised in Balance Sheet	(3,072,052)	(7,071,978)	10,261,491	8,299,501

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

IV Expenses recognised during the year

	Gratuity		Leave Encashment	
	2015-16	2014-15	2015-16	2014-15
Current Service Cost	3,537,752	3,283,892	1,885,385	1,631,033
Interest Cost	3,993,887	3,553,236	643,211	607,223
Expected return on Plant assets	(3,222,950)	(3,486,261)	-	-
Actuarial (gain) / loss	2,050,066	6,281,442	(321,915)	(385,593)
Net Cost	6,358,755	9,632,309	2,206,681	1,852,663

V Investment details :

	% Invested	
	2015-16	2014-15
Insurance Policies	100.00	100.00
	100.00	100.00

VI Actuarial assumptions

	Gratuity		Leave Encashment	
	2015-16	2014-15	2015-16	2014-15
Mortality Table (LIC)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount rate (per annum)	8%	8%	8.00%	7.75%
Expected rate of return on plan assets (per annum)	8%	8%		
Rate of escalation in salary (per annum)	5%	5%	7.50%	7.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of Plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

24 FINANCE COSTS

	Year Ended 31 March 2016	Year Ended 31 March 2015
Interest Expense	215,109,964	208,418,268
Other Borrowing Costs	30,373,954	32,885,405
Total	245,483,917	241,303,673

25 OTHER EXPENSES

	Year Ended 31 March 2016	Year Ended 31 March 2015
Manufacturing Expenses		
Consumption of Stores & Spare Parts	1,680,443	1,360,444
Power & Fuel	38,937,359	49,140,822
Rent, Rates & Taxes	21,272,575	22,388,051
Repairs to Building	5,951,604	1,825,321
Repairs to Machinery	8,779,656	17,892,464
Freight Inward	54,410,458	55,815,057
Processing Charges	19,577,791	18,678,222
Security Charges	1,822,595	804,517
Wages & Allowances	68,546,828	68,621,763
Miscellaneous Expenses	3,633,157	6,731,979
	224,612,467	243,258,640

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

25 OTHER EXPENSES (Contd...)	Year Ended 31 March 2016	Year Ended 31 March 2015
Selling & Distribution Expenses		
Advertisement & Publicity	121,938,487	85,735,229
Discount and Rebate	222,897,864	263,933,633
Freight & Delivery Expenses	66,656,251	85,684,962
Mobile Selling Expenses	847,019	886,171
Selling Expenses	8,062,929	9,601,063
Travelling Expenses	81,431,936	69,204,139
	<u>501,834,486</u>	<u>515,045,197</u>
Other Administration Expenses		
Audit Fees	3,097,471	2,791,824
Bank Charges	269	1,297
Conveyance & Motor Car Expenses	24,677,452	27,234,741
Corporate Social Responsibility (CSR) Expenses	3,353,963	3,434,687
Electricity	1,787,420	1,037,774
General Expenses	10,102,715	10,970,293
Insurance	5,047,226	5,215,796
Legal & Professional Fees	7,008,060	9,958,231
Loss on Sale of Asset	3,728,926	2,610,191
Postage & Telephones	11,261,070	10,341,049
Printing & Stationery	4,774,628	5,403,716
Rent, Rates & Taxes	44,380,901	39,060,820
Repairs & Maintenance	1,807,702	2,703,541
Net Gain / Loss on Foreign Currency Transactions and Translation	19,452,679	1,284,773
	<u>140,480,480</u>	<u>122,048,732</u>
Total	<u>866,927,433</u>	<u>880,352,569</u>

25.1 Payment to Auditors as :

Particulars	Year Ended 31 March, 2016	Year Ended 31 March, 2015
(a) Statutory Audit Fees	3,097,471	2,791,824
(b) Tax Audit Fees	274,800	269,664
(c) Taxation Matters	478,867	247,192
(d) Certification and Consultancy Fees	279,315	275,282
	<u>4,130,453</u>	<u>3,583,962</u>

26 EARNINGS PER SHARE (EPS)	Year Ended 31 March 2016	Year Ended 31 March 2015
(i) Net Profit After Tax (PAT) as per Statement of Profit and Loss attributable to Equity Shareholders	72,254,832	168,616,033
(ii) Weighted Average number of Equity Shares used as denominator for calculating EPS	13,004,339	13,004,339
(iii) Basic & Diluted Earnings per Share (Rs.)	5.56	12.97
(iv) Face Value per Equity Share (Rs.)	10	10

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

27.1 OPERATING LEASE COMMITMENTS (Company is a Lessee)

The Company's significant leasing arrangements are in respect of Operating Leases for Vehicles. These leasing arrangements which are not non-cancellable range upto 60 months and are renewable by mutual consent on mutually agreeable terms. The aggregate Lease Rentals payable are charged as "RENT" in Other Administrative Expenses under Note 25.

Particulars	Total Minimum Lease Payments outstanding as at 31 March, 2016	Total Minimum Lease Payments outstanding as at 31 March, 2015
(a) Within One year	12,555,858	13,945,752
(b) Later than One year and not later than Five years	14,363,090	9,448,336
(c) Later than Five years	-	-
	<u>26,918,947</u>	<u>23,394,088</u>
The above lease rentals are inclusive of VAT, Insurance and Other Charges		

27.2 Lease payments recognised in the statement of Profit and Loss :

Particulars	Year Ended 31 March, 2016	Year Ended 31 March, 2015
(a) Minimum Lease Payments (Inclusive of VAT, Insurance and Other Charges)	25,809,342	22,797,591

27.3 General description of Lease terms :

- (a) Lease Rentals are charged on the basis of agreed terms.
- (b) Assets are taken on Lease for a period of 60 months.

28. RELATED PARTY DISCLOSURES

Related Party Disclosures as per Accounting Standard - 18 issued by the Institute of Chartered Accountants of India

Part - A				
Details of Related Parties				
Sr. No.	Nature of Relationship	Name of the Related Party	Remarks	
1	Enterprises over which the Key Management Persons has significant Influence of Control	a) Aries Marketing Ltd. b) Blossoms International Ltd. c) Sreeni Agro Chemicals Ltd. d) Aries East West Nutrients Pvt. Ltd.		
2	Key Management Personnel	a) Dr. Jimmy Mirchandani b) Dr. Rahul Mirchandani c) Mrs. Nitya Mirchandani	a) Chairman & Managing Director b) Executive Director c) Director	
3	Relatives of Key Management Personnel	Name of the Key Management Personnel	Name of the Relative	Relationship
		a) Dr. Jimmy Mirchandani	a) Mrs. Vivian Prokop Mirchandani b) Mr. Akshay Mirchandani c) Mr. Amol Mirchandani d) Dr. Rahul Mirchandani	Spouse Son Son Brother
		b) Dr. Rahul Mirchandani	a) Mrs. Nitya Mirchandani b) Master Armaan Mirchandani c) Dr. Jimmy Mirchandani	Spouse Son Brother
		c) Mrs. Nitya Mirchandani	a) Dr. Rahul Mirchandani b) Master Armaan Mirchandani	Spouse Son
4	Other Related Parties	a) Mruga Corporate Services Pvt. Ltd.		

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

28. RELATED PARTY DISCLOSURES (Contd...)

Related Party Disclosures as per Accounting Standard - 18 issued by the Institute of Chartered Accountants of India

Part - B				
Disclosure of Transactions between the Company and Related Parties				
Sr. No.	Category	Nature of Service	Year Ended 31 March 2016	Year Ended 31 March 2015
1	Key Management Personnel	Loan repaid	35,280,201	10,516,068
		Loan taken	7,224,300	21,233,089
		Directors Remuneration paid	12,414,762	16,587,604
2	Relatives of Key Management Personnel	Salary Paid	604,189	510,195
3	Other Related Parties	Legal & Professional Fees (Gross)	136,886	50,937
		Payments for Expenses	136,886	71,409

Part - C				
Balance Outstanding with Related Parties				
Category	Nature of Outstanding	Name of the Party	As at 31 March 2016	As at 31 March 2015
Key Management Personnel	Dues to Directors	Dr. Jimmy Mirchandani	10,890,094	10,023,615
		Dr. Rahul Mirchandani	16,956,699	16,153,298
Relatives of Key Management Personnel	Salary	Amol Mirchandani	39,649	30,955

29. Description of the group

The group's subsidiaries are set as below:

ENTITY	% HOLDING	Country
Aries Agro Care Pvt. Ltd.	100%	India
Aries Agro Equipments Pvt. Ltd.	100%	India
Aries Agro Produce Pvt. Ltd.	75%	India
Golden Harvest Middle East FZC	The Company having remitted contribution of 1,12,500 AED towards Equity they have been classified under Equity and the balance 1,67,65,500 AED is presently categorized under Shareholders Current Account.	UAE
Amarak Chemicals FZC	Golden Harvest Middle East FZC (Subsidiary Company of Aries Agro Limited) having remitted contribution of 22,50,000 AED towards Equity they have been classified under Equity and the balance 2,78,49,627 AED is presently categorized under Shareholders Current Account.	UAE

30. Current Assets, Loans & Advances and Provisions

- The current assets and loans and advances are approximately of the value stated, if realized in the ordinary course of business.
- The provision for all known liabilities is not in excess of the amounts reasonably necessary.
- The balances of sundry creditors, sundry debtors and loans and advances are subject to confirmation.

31. Gratuity

UAE Operations:

The liability to employees is fully provided for in the accounts.

32. Contingent Liability not provided for in the accounts:

- a) Letters of credit / guarantees given / Bills discounting Rs. 1,314.32 Lacs.
- b) Standby letter of credit for Overseas Subsidiary Golden Harvest Middle East FZC
 - Axis Bank Rs. 3,597.37 Lacs
 - HDFC Bank Rs. 531.99 Lacs

Rs. 4,129.36 Lacs
=====
- c) Claims against company not acknowledged as debts Rs. 1,057.56 Lacs which includes tax dues disputed as Rs. 2.68 Lacs towards sales Tax, Rs. 249.57 Lacs towards Income Tax, Rs. 792.01 towards central excise & customs and includes Rs. 13.30 Lacs pertaining to pending suits regarding quality issue.
- d)
 1. The Commissioner of Central Excise, Mumbai and Hyderabad had issued Show Cause-Cum-Demand Notices for levy of Excise Duty on clearances of Micronutrients by classifying the same as Plant Growth Regulators under Chapter Heading No. 38.08 of Central Excise Act. The Commissioner of Central Excise, Mumbai, vide his Order dated 27th November, 2006 and Commissioner of Central Excise, Hyderabad, vide his Order dated 30th November, 2005 had cancelled these demands in respect of clearance upto June, 2006. The Department has preferred appeals against the said orders. The Department has also issued periodical Show Cause Notices of about Rs. 108.20 crores to the Company in respect of clearances thereafter and the Company has replied to all such notices. In view of the Orders referred to above on the pending appeals and submissions, no action has been taken.
 2. Commissioner of Central Excise, Ahmedabad – II, has passed an order confirming demand of Rs.3.81 Crores on account of Central Excise duty, interest on the said amount and penalty of like amount i.e. Rs. 3.81 Crores against which the Company has preferred an appeal before the Central Excise and Service Tax Appellate Tribunal, Ahmedabad.

The Central Board of Excise and Customs vide their Circular No. 1022/10/2016/CX dated 06/04/2016 has clarified that Micronutrients are not classifiable as Plant Growth Regulators under Chapter Heading No. 38.08 of the Central Excise Act.

Under the circumstances, and in view of legal pronouncements that the Excise Authorities cannot go beyond the Show Cause Notice, the Show Cause-Cum-Demand Notices are liable to be dropped in view of the Circular referred to above.
 3. The Company has been classifying Sulphur Bentonite under Chapter Heading No. 25030090 as other forms of Sulphur. However, the Customs authorities classified Sulphur Bentonite imported under Chapter Heading No. 25030010 “as recovered byproduct in refining of crude oil”. The Additional Commissioner of Customs, Nhava Sheva confirmed the classification under Chapter Heading No. 25030010 and demanded an amount of Rs. 29.91 Lakhs, in addition penalty of like amount i.e. Rs. 29.91 Lakhs along with fine and penalty of Rs.7/- Lakhs each on the Chairman & Managing Director and Purchase Manager of the Company.

The Company preferred an appeal before the Commissioner, Appeals, who vide order dated 19/02/2016 while upholding the Department’s contention of classifying the product under Chapter Heading No. 25030010 set aside the fine and penalty imposed upon the Company, the Chairman & Managing Director and the Purchase Manager. The Commissioner Appeals also directed to grant benefit vide Sr. No. 60 under Notification No. 21/2002/CUS. The Company has preferred an appeal against the said order to the Customs, Central Excise and Service Tax Tribunal, Mumbai on 19/05/2016 contesting the classification of Sulphur Bentonite under Chapter Heading No. 25030010.

33. Segmental Reporting as per Accounting Standard - 17

The Company has only One business Segment “Agro Inputs” as its primary segment and hence disclosure of segment-wise information is not required under Accounting Standard 17 ‘Segmental Information’ notified pursuant to the Companies (Accounting Standard) Rules, 2014 (as amended).

34. Previous Years figures have been regrouped wherever necessary so as to make them comparable with the current year.

As per our report of even date

For Kirti D Shah & Associates
Chartered Accountants
Firm Registration No. 115133W

Kirti D Shah
Proprietor
Membership No 32371

Place : Mumbai.
Date : 30th May, 2016

For and on behalf of the **Board of Directors** of **Aries Agro Limited**

Dr. Jimmy Mirchandani
Chairman & Managing Director
DIN 00239021

Dr. Rahul Mirchandani
Executive Director
DIN 00239057

Mrs. Nitya Mirchandani
Director
DIN 06882384

Prof R S S Mani
Director
DIN 00527270

Mr. C. B. Chhaya
Director
DIN 00968966

Mr. B. V. Dholakia
Director
DIN 01871816

Mr. S. Ramamurthy
Chief Financial Officer
Membership No. ACA-31200

Mr. Qaiser P. Ansari
Company Secretary
Membership No. ACS-8979

INDEPENDENT AUDITOR'S REPORT

The Shareholders'

Golden Harvest Middle East FZC
Sharjah Airport International Free Zone,
Sharjah- United Arab Emirates

Report on the financial statements

We have audited the financial statements of **Golden Harvest Middle East FZC (the Company)**, which comprise the statement of financial position as at 31 March 2016 the income statement, statement of changes in Shareholders' funds and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstance.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditors considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Golden Harvest Middle East FZC** as of 31 March 2016 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Prasad Associates
Chartered Accountants

Date: 29th May, 2016

Place: Sharjah

STATEMENT OF FINANCIAL POSITION AT 31ST MARCH 2016

	Notes	2016 AED	2015 AED
ASSETS			
Non-current assets			
Property, plant and equipment	3	4,327,219	5,133,631
Investment in subsidiaries/associates	4	3,450,000	3,450,000
		<u>7,777,219</u>	<u>8,583,631</u>
Current assets			
Inventories	5	1,550,664	4,599,193
Trade receivables	6	9,417,126	8,658,649
Prepayments and other receivables	7	145,044	2,624,994
Amounts due from related parties	8	26,951,098	22,244,797
Advance towards share application money	9	27,849,627	27,849,627
Cash and bank balances	10	4,167	322,633
Total current assets		<u>65,917,726</u>	<u>66,299,893</u>
TOTAL ASSETS		<u>73,694,945</u>	<u>74,883,524</u>
SHAREHOLDERS' FUNDS AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	11	150,000	150,000
Shareholders' current accounts	12	21,178,484	20,537,700
Retained earnings		21,340,313	21,924,051
Reserve fund	13	75,000	75,000
Total shareholders' funds		<u>42,743,797</u>	<u>42,686,751</u>
Non Current liabilities			
Provision for employees' terminal benefits	14	251,957	203,407
Total non - current liabilities		<u>251,957</u>	<u>203,407</u>
Current liabilities			
Trade payables and accruals	15	1,958,872	3,768,726
Bank borrowings	16	22,428,525	22,428,525
Amounts due to related parties	8	6,311,794	5,789,415
Term loans - current portion		-	6,700
Total current liabilities		<u>30,699,191</u>	<u>31,993,366</u>
Total liabilities		<u>30,951,148</u>	<u>32,196,773</u>
TOTAL SHAREHOLDERS' FUNDS AND LIABILITIES		<u>73,694,945</u>	<u>74,883,524</u>

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making judgements underlying them.

For Golden Harvest Middle East FZC

Place: Sharjah

Date : 29 May 2016

Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH 2016

	Notes	2016 AED	2015 AED
INCOME			
Sales	17	9,579,902	22,988,050
Cost of sales	18	(6,932,006)	(17,462,846)
GROSS PROFIT		2,647,896	5,525,204
Other Income		1,941	1,388
TOTAL INCOME		2,649,837	5,526,592
EXPENSES			
Administration, selling and general expenses	19	1,618,467	1,853,065
Finance charges	20	822,888	904,205
Depreciation	3	792,220	801,027
		3,233,575	3,558,297
Net profit for the year		(583,738)	1,968,295

For Golden Harvest Middle East FZC

Place: Sharjah

Date : 29 May 2016

Director

STATEMENT OF CHANGES IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 31ST MARCH 2016

Year to 31 March 2016	Share capital AED	Shareholders' current accounts AED	Retained earnings AED	Reserve fund AED	Total AED
Balance at 1 April 2015	150,000	20,537,700	21,924,051	75,000	42,686,751
Net profit for the year	-	-	(583,738)	-	(583,738)
Net movement in current accounts	-	640,784	-	-	640,784
Balance at 31 March 2016	150,000	21,178,484	21,340,313	75,000	42,743,797
Year to 31 March 2015	Share capital AED	Shareholders' current accounts AED	Retained earnings AED	Reserve fund AED	Total AED
Balance at 1 April 2014	150,000	19,791,000	19,955,756	75,000	39,971,756
Net profit for the year	-	-	1,968,295	-	1,968,295
Net movement in current accounts	-	746,700	-	-	746,700
Balance at 31 March 2015	150,000	20,537,700	21,924,051	75,000	42,686,751

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

	2016 AED	2015 AED
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss)/profit for the year	(583,738)	1,968,295
Adjustment for:		
Depreciation	792,220	801,027
Provision for employees' terminal benefits	48,550	14,693
Loss on sale of property, plant and equipment	6,692	217
Operating profit before working capital changes	263,724	2,784,232
Decrease in inventories	3,048,529	224,918
(Increase)/decrease in trade receivables	(758,477)	3,606,663
Decrease/(increase) in prepayments and other receivables	2,479,950	(2,476,026)
(Increase)/decrease in amounts due from related party	(4,706,301)	2,585,083
(Decrease) in accounts payable and accruals	(1,809,854)	(1,966,124)
Increase/(decrease) in amounts due to related party	522,379	(5,099,741)
Net cash (used in) operating activities	(960,050)	(340,995)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(96,500)
Proceeds from sale of property, plant and equipment	7,500	-
Net cash from/(used in) investing activities	7,500	(96,500)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movement in current accounts	640,784	746,700
(Decrease) in term loans	(6,700)	(8,933)
Net cash from financing activities	634,084	737,767
Net (decrease)/increase in cash and cash equivalents	(318,466)	300,272
Cash and cash equivalents at beginning of the year	322,633	22,361
Cash and cash equivalents at end of the year	4,167	322,633

For Golden Harvest Middle East FZC

Place: Sharjah

Date : 29 May 2016

Director

NOTES to the Financial Statements for the year ended 31st March 2016

1. LEGAL STATUS AND ACTIVITY

Legal status: Golden Harvest Middle East (FZC) (the "Company") is a Free Zone Company with limited liability incorporated and licensed at Sharjah Airport International Free (SAIF) Zone, Sharjah pursuant to Sharjah Emiri Decree No 2 of 1995.

The Company was incorporated on 31 October 2004 and operating under Industrial License No. 03146 issued by SAIF Zone Authorities.

Activity: The principal activity of the Company is manufacturing organic and chemical fertilizers. The principal place of the business of the Company is located at P3-04, Sharjah Airport International Free Zone, Sharjah, United Arab Emirates.

These separate financial statements relates to the operations of Golden Harvest Middle East (FZC) and do not include the results of operations of its subsidiary Company M/s Amarak Chemicals FZC, Fujairah, United Arab Emirates.

Management: The Company is managed by Mr. Chalakudi Subramani Shankaranarayan and Mr. AkshayMirchandani, Indian nationals.

Accounting period: These financial statements relate to the period from 1 April 2015 till 31 March 2016.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

2.1 Basis of preparation

(i) Compliance with IFRS

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- available-for-sale financial assets, financial assets and liabilities (including derivative instruments) certain classes of property, plant and equipment and investment property – measured at fair value
- assets held for sale – measured at fair value less cost of disposal, and
- defined benefit pension plans – plan assets measured at fair value.

2.2 Changes in accounting policy and disclosures

New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2015:

- Annual Improvements to IFRSs – 2010-2012 Cycle and 2011 – 2013 Cycle
- Defined Benefit Plans: Employee Contributions – Amendments to IAS 19

The adoption of the improvements made in the 2010-2012 Cycle has required additional disclosures in our segment note. Other than that, the adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

The Company also elected to adopt the following two amendments early

- Annual Improvements to IFRSs 2012-2014 Cycle, and
- Disclosure Initiative: Amendments to IAS 1.

As these amendments merely clarify the existing requirements, they do not affect the Company's accounting policies or any of the disclosures.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2015 reporting periods and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and interpretations is set out below.

IFRS 9 Financial Instruments

IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In July 2014, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard.

Following the changes approved by the IASB in July 2014, the group no longer expects any impact from the new classification, measurement and derecognition rules on the group's financial assets and financial liabilities.

While the group has yet to undertake a detailed assessment of the debt instruments currently classified as available-for-sale financial assets, it would appear that they would satisfy the conditions for classification as at fair value through other comprehensive income (FVOCI) based on their current business model for these assets. Hence there will be no change to the accounting for these assets.

There will also be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities.

The new hedging rules align hedge accounting more closely with the group's risk management practices. As a general rule it will be easier to apply hedge accounting going forward as the standard introduces a more principles-based approach. The new standard also introduces expanded disclosure requirements and changes in presentation.

The new impairment model is an expected credit loss (ECL) model which may result in the earlier recognition of credit losses.

The group has not yet assessed how its own hedging arrangements and impairment provisions would be affected by the new rules.

NOTES to the Financial Statements for the year ended 31st March 2016

Must be applied for financial years commencing on or after 1 January 2018. Based on the transitional provisions in the completed IFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety.

IFRS 15 Revenue from Contracts with Customers

The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (e.g. 1 January 2017), i.e. without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application.

Management is currently assessing the impact of the new rules and has identified the following areas that are likely to be affected:

- extended warranties, which will need to be accounted for as separate performance obligations, which will delay the recognition of a portion of the revenue • consignment sales where recognition of revenue will depend on the passing of control rather than the passing of risks and rewards.
- IT consulting services where the new guidance may result in the identification of separate performance obligations which could again affect the timing of the recognition of revenue, and
- the balance sheet presentation of rights of return, which will have to be grossed up in future (separate recognition of the right to recover the goods from the customer and the refund obligation)

At this stage, the Company is not able to estimate the impact of the new rules on the Company's financial statements. The Company will make more detailed assessments of the impact over the next twelve months.

Mandatory for financial years commencing on or after 1 January 2018.

Expected date of adoption by the Company: 1 January 2018.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.3 Significant accounting policies

a) Property, plant and equipment

Property, plant and equipment are initially recorded at cost together with any incidental expenses of acquisition or construction. Subsequently they are stated at cost less accumulated depreciation and accumulated impairment losses.

Major costs incurred in restoring property, plant and equipment to their normal working condition are charged to the income statement. Improvements are capitalized and depreciated over their expected useful lives.

b) Depreciation

The cost of property, plant and equipment is depreciated by equal annual installments over the estimated useful lives of the assets. The estimated useful lives of the assets for the calculation of depreciation are as follows:

Building	20 years
Machineries	10 years
Equipment	5 years
Office furniture	5 years
Motor vehicle	4 years

c) Bank borrowings

Interest bearing bank borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

d) Employees' terminal benefits

Termination benefits are paid to employees' when employment is terminated by the Company before the normal retirement date or whenever an employee accepts voluntary retirement in exchange for these benefits.

Provision is made for employees' terminal benefits on the basis prescribed under the U.A.E Labour Law based on employees' salaries and number of years of service. The terminal benefits are paid to employees on termination or completion of their term of employment.

e) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

f) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average basis. Cost of inventories comprises of costs of purchase, and where applicable cost of conversion and other costs that has been incurred in bringing the inventories to their

NOTES to the Financial Statements for the year ended 31st March 2016

present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

g) Cash and cash equivalents

Cash and cash equivalents comprise short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

h) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Accounts payable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

i) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied stated net of discounts, returns etc.

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- (i) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (ii) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (iii) the amount of revenue can be measured reliably;
- (iv) it is probable that the economic benefits associated with the transaction will flow to the Company; and
- (v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

j) Foreign currencies

Functional and presentation currency

The financial statements are presented in UAE Dirham (AED), which is the Company's functional and presentation currency.

Transaction and balances

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the income statement.

k) Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade receivables originated by the Company are measured at cost. An allowance for credit losses of trade receivable is established when there is objective evidence that the Company will not be able to collect the amounts due. Indicators that the trade receivable are impaired include

consistent default in the payments when due, financial difficulties of the customer and other indicators.

When a trade receivable is considered uncollectible, it is written off against the allowance account for credit losses. Subsequent recoveries of amounts previously written off are credited in the statement of income. The carrying value of trade receivable approximate to their fair value due to the short term nature of those receivables.

l) Finance charges

Finance charges that are directly attributable to the acquisition and construction of property and equipment are capitalized as part of the cost of those assets. Other finance charges are recognized as an expense in the year in which they are incurred.

m) Impairment

Financial assets

At each balance sheet date, the Company assesses if there is any objective evidence indicating impairment of financial assets or non-collectability of receivables.

An impairment loss, if any, arrived at as a difference between the carrying amount and the recoverable amount, is recognized in the statement of income. The recoverable amount represents the present value of expected future cash flows discounted at original effective interest rate. Cash flows relating to short term receivables are not discounted.

Non-financial assets

At each balance sheet date, the Company assesses if there is any indication of impairment of non-financial assets. If an indication exists, the Company estimates the recoverable amount of the asset and recognizes an impairment loss in the statement of income. The Company also assesses if there is any indication that an impairment loss recognized in prior years no longer exists or has reduced. The resultant impairment loss or reversals are recognized immediately in the statement of income.

n) Financial liabilities

All financial liabilities are initially measured at cost and are subsequently measured at amortized cost. The effective interest method is a method of calculating the amortized cost of a financial liability and allocating interest expense over the relevant period.

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired.

o) Financial instruments

Financial assets and financial liabilities are recognized on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

p) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from the past events that is not

NOTES to the Financial Statements for the year ended 31st March 2016

recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

Contingent liabilities are not recognized but are disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognized as provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When an inflow is virtually certain, an asset is recognized.

2.4 Significant accounting estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revisions affect both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Impairment of trade receivables and amounts due from related parties

An estimate of the collectible amount of trade accounts receivable and related parties is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and an allowance applied according to the length of time past due, based on historical recovery rates. Any difference between the amounts actually collected in future periods and the amounts expected to be collected will be recognized in the income statement.

Impairment of property and equipment

A decline in the value of property, plant and equipment could have a significant effect on the amounts recognized in the financial statements. Management assesses the impairment of property and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Factors that are considered important which could trigger an impairment review include the following:

- significant changes in the technology and regulatory environments

- evidence from internal reporting which indicates that the economic performance of the asset is, or will be, worse than expected.

Useful life of property, plant and equipment

The Company's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

3. PROPERTY, PLANT AND EQUIPMENT

Movement in property, plant and equipment are given on page number 23.

4. INVESTMENTS IN SUBSIDIARIES/ASSOCIATES (Un-quoted at cost)

At the balance sheet date, the Company had investment in the associate company in accordance with the terms and conditions of the Memorandum and Articles of Associations of the associate company. The associate company is in the process of setting up a manufacturing facility and has not commenced commercial operations till date.

At the balance sheet date, the investment in associate amounting to AED 1,200,000 has not been reflected in the statutory records of the associate Company maintained by the Hamriyah Free Zone Authority.

At the balance sheet date, Company is also holding 75% shares in a subsidiary company M/s Amarak Chemicals FZC, registered in Fujairah Free Zone, Fujairah, United Arab Emirates amounting to AED 2,250,000.

5. INVENTORIES

	2016 AED	2015 AED
Raw materials	775,099	3,597,956
Finished goods	742,607	965,126
Packing materials	32,958	36,111
	1,550,664	4,599,193

Inventories represent goods lying in the warehouse premises at SAIF Zone, Sharjah, United Arab Emirates which are valued and certified by the technical personnel of the Company.

6. TRADE RECEIVABLES

	2016 AED	2015 AED
Trade receivables	9,417,126	8,658,649
	9,417,126	8,658,649

- At 31 March 2016, 100% of the net trade receivables (2015 – 97%) are due from 3 customers (2015 – 4 customers).
- In the opinion of the management, the receivables are considered good and fully recoverable.

NOTES to the Financial Statements for the year ended 31st March 2016

(iii) The aging analysis of the trade receivables are as follows:

	2016 AED	2015 AED
Due for less than 6 months	9,417,126	8,658,649
Due for more than 6 months	-	-
	9,417,126	8,658,649

7. PREPAYMENTS AND OTHER RECEIVABLES

	2016 AED	2015 AED
Prepayments	92,944	101,405
Deposits	37,900	33,900
Loans and advances	14,200	26,100
Advance paid to suppliers	-	2,463,589
	145,044	2,624,994

8. RELATED PARTY TRANSACTIONS

The Company has in the ordinary course of business, entered into trading, financial and service transactions with concerns in which the shareholders' /directors'/manager of the Company or their relatives have an investing / controlling interest.

The prices and terms of these transactions were approved by the management and considered comparable to those charged by third parties. The amounts outstanding from/to related parties are unsecured, which do not attract interest and are payable on demand. No expense has been recognized in the period for bad or doubtful debts in respect of the amounts owed by related parties.

At the end of the reporting period, amounts due from/to related parties were as follows:-

Amount due from related parties	2016 AED	2015 AED
MAPCO Fertilizers FZC, Hamriyah Free Zone, Sharjah	2,982,246	3,232,246
Amarak Chemicals FZC, Fujairah	22,384,397	17,421,426
Aries Agro Limited, Mumbai	1,584,455	1,591,125
	26,951,098	22,244,797

The amount due from MAPCO Fertilizers FZC amounting to AED 2,982,246 is subject to confirmation/reconciliation.

Amount due to related parties	2016 AED	2015 AED
Aries Agro Limited	5,966,693	5,503,113
Mirabelle Holdings	103,301	141,222
Amarak Chemicals FZC, Fujairah	241,800	145,080
	6,311,794	5,789,415

During the year, the Company entered into the following transactions with related parties:-

	2015 AED	2015 AED
Sales	8,008,934	7,258,493
Purchases	350,471	15,090,300

Key management compensation (including Director's emoluments)

	2015 AED	2015 AED
Directors' remuneration	526,800	528,000
	526,800	528,000

9. ADVANCE TOWARDS SHARE APPLICATION MONEY

This represents amount paid to the subsidiary Company, Amarak Chemicals FZC, Fujairah Free Zone towards advance for allotment of shares.

10. CASH AND BANK BALANCES

	2016 AED	2015 AED
Cash in hand	960	3,673
Current account with banks	3,207	318,960
	4,167	322,633

11. SHARE CAPITAL

	2016 AED	2015 AED
Authorised, issued and paid-up capital	150,000	150,000
(1,500 shares of AED 100 each)		
	150,000	150,000

12. SHAREHOLDERS' CURRENT ACCOUNTS

Shareholders' current account balances do not attract interest and there are no defined repayment arrangements.

13. RESERVE FUND

This represents reserve created out of profit of the Company in accordance with the provisions of Memorandum and Articles of Association of the Company.

14. PROVISION FOR EMPLOYEES' TERMINAL BENEFITS

The provision for end of service benefits for employees is made in accordance with the requirements of the U.A.E. Labour Laws. This is an unfunded defined benefits retirement plan. Employees are entitled to benefits based on length of service and final remuneration. Accrued employees' terminal benefits are payable on termination of employment.

15. TRADE PAYABLES AND ACCRUALS

	2015 AED	2015 AED
Trade payables	1,084,783	1,810,758
Accrued expenses	874,089	598,218
Other payables	-	1,359,750
	1,958,872	3,768,726

NOTES to the Financial Statements for the year ended 31st March 2016

16. BANK BORROWINGS

This represents short term loan taken from a financial institution which bears interest at commercial rates.

The above loan is secured against standby LC issued by Axis Bank, India of M/s Aries Agro Ltd, Mumbai, the shareholder of the Company.

17. SALES

	2016 AED	2015 AED
Trading	4,548,122	14,713,841
Manufacturing	5,031,780	8,274,209
	9,579,902	22,988,050

18. COST OF SALES

	2016 AED	2015 AED
Opening inventories	4,599,193	4,824,112
Purchases	3,430,598	16,684,927
Direct expenses	452,879	553,000
Less: Closing inventories	(1,550,664)	(4,599,193)
	6,932,006	17,462,846

19. ADMINISTRATION , SELLING AND GENERAL EXPENSES

	2016 AED	2015 AED
Salaries and benefits	801,215	683,095
Rent expenses	202,027	184,035
Legal and professional charges	52,602	60,172
Communication expenses	36,851	39,970
Insurance charges	22,705	24,916
Repairs and maintenance	3,700	6,874
Advertisement and business promotion expenses	10,184	3,000
Printing and stationery	3,194	2,113
Traveling, and conveyance	7,198	1,561
Other expenses	478,791	847,329
	1,618,467	1,853,065

20. FINANCE CHARGES

	2016 AED	2015 AED
Bank charges	183,519	27,837
Interest charges	639,369	876,368
	822,888	904,205

21. FINANCIAL RISK AND CAPITAL MANAGEMENT

21.1 Financial risk factors

Financial assets of the Company include cash, bank balances, trade receivables, deposits, advances and amount due from related parties. Financial liabilities include amounts due to related party, trade payables, short term loans and accruals.

The management believes that the fair values of the financial assets and liabilities approximate to their carrying amounts.

The Company's financial risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects of the financial performance. Under the Company's risk management programme, management identifies and documents key risks and sets out policies and procedures required to mitigate these risks. The identified key risks are:

a) Currency risk

The majority of the Company's financial assets and financial liabilities are either denominated in local currency (AED) or currencies fixed to the AED. Hence the management believes that there would not be a material impact on the profitability if these foreign currencies weakens or strengthens against the AED with all other variables held constant.

b) Credit risk

The Company is potentially exposed to concentration of credit risk from its financial assets which comprise principally bank balances and trade receivables. The Company's bank accounts are placed with high credit quality financial institutions. The credit risk on trade receivables is subjected to credit evaluations and an allowance has been made for estimated irrecoverable amounts. The amounts presented in the balance sheet are net of allowances for doubtful receivables.

The Company is not exposed to any significant concentration of credit risk because its exposure is spread over financial institutions and a large number of customers.

c) Liquidity risk

The Company manages its liquidity risk by ensuring it has sufficient liquid cash balances to meet its payment obligations as they fall due.

The Company maintains good working relations with its banks and ensures compliance with the covenants as stipulated in the facility agreements.

21.2 Capital management

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders by pricing products and services commensurately with the level of risk.

The Company sets the amount of capital funds in accordance with the planned level of operations and in proportion to the levels of risk. The Company manages the shareholders' funds and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the shareholders' funds, the Company may adjust the amount of dividends paid to shareholders, return funds to shareholders, issue new shares, or sell assets to reduce its exposure to debt.

22. CAPITAL COMMITMENTS

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known capital commitment on Company's financial statements as of reporting date.

NOTES to the Financial Statements for the year ended 31st March 2016

23. CONTINGENT LIABILITIES

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability on Company's financial statements as of reporting date.

24. COMPARATIVE FIGURES

Previous year's figures have been regrouped or reclassified wherever necessary to make them comparable to those of the current year.

However such reclassification does not have impact on the previously reported profit or equity.

25. LEVEL OF PRECISION

All figures are rounded off to nearest Dirhams (AED).

26. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the shareholders and authorized for issue on 29 May 2016.

3 PROPERTY, PLANT AND EQUIPMENT AS AT 31 MARCH 2016

	Building AED	Machineries AED	Equipments AED	Office furniture AED	Motor vehicles AED	Total AED
Cost:						
at 1 April 2015	2,695,473	6,479,020	75,134	54,752	33,500	9,337,879
disposal during the year	-	(54,500)	-	-	-	(54,500)
at 31 March 2016	2,695,473	6,424,520	75,134	54,752	33,500	9,283,379
Depreciation:						
at 1 April 2015	860,099	3,193,902	73,398	54,752	22,097	4,204,248
charge for the year	134,774	647,335	1,736	-	8,375	792,220
on disposals	-	(40,308)	-	-	-	(40,308)
at 31 March 2016	994,873	3,800,929	75,134	54,752	30,472	4,956,160
Net book values:						
at 31 March 2016	1,700,600	2,623,591	-	-	3,028	4,327,219
at 31 March 2015	1,835,374	3,285,118	1,736	-	11,403	5,133,631

INDEPENDENT AUDITOR'S REPORT

The Shareholders'
Amarak Chemicals FZC
Fujairah Free Zone,
Fujairah- United Arab Emirate

Report on the financial statements

We have audited the financial statements of **Amarak Chemicals FZC**, (the Company), which comprise the statement of financial position as at 31 March 2016 the income statement, statement of changes in Shareholders' funds and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstance.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditors considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Amarak Chemicals FZC** as of 31 March 2016 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Prasad Associates
Chartered Accountants

Date: 29th May, 2016
Place: Dubai

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Notes	2016 AED	2015 AED
ASSETS			
Non-current assets			
Property, plant and equipment	3	28,733,358	32,910,549
Capital work-in-progress	4	4,079,250	-
Total non-current assets		32,812,608	32,910,549
Current assets			
Inventories	5	22,340,074	21,874,057
Trade receivables	6	12,403,831	12,156,257
Amounts due from related parties	7	241,800	145,080
Deposits, advances and prepayments	8	13,867,822	8,518,490
Cash and bank balances	9	13,403	37,333
Total current assets		48,866,930	42,731,217
TOTAL ASSETS		81,679,538	75,641,766
SHAREHOLDERS' FUNDS AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	10	3,000,000	3,000,000
Shareholders' current accounts	11	9,976,804	8,522,464
Legal reserve	12	809,304	653,409
Retained earnings		6,047,276	4,644,226
Total shareholders' equity		19,833,384	16,820,099
Share application money	13	27,849,627	27,849,627
Total shareholders' funds		47,683,011	44,669,726
Non Current liabilities			
Provision for employees' terminal benefits	14	251,608	203,457
Term loans - non current portion	15	54,962	174,408
Total non -current liabilities		306,570	377,865
Current liabilities			
Trade payables and accruals	16	10,117,450	10,287,924
Amounts due to related parties	7	23,453,061	20,065,258
Term loans - current portion	15	119,446	240,993
Total current liabilities		33,689,957	30,594,175
Total liabilities		33,996,527	30,972,040
TOTAL SHAREHOLDERS' FUNDS AND LIABILITIES		81,679,538	75,641,766

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making judgements underlying them.

For Amarak Chemicals FZC

Place: Fujairah
Date: 29 May 2016

Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 AED	2015 AED
INCOME			
Sales		27,308,357	28,067,614
Cost of sales	17	(16,068,133)	(16,138,942)
GROSS PROFIT		11,240,224	11,928,672
Other income		1,575	32,397
TOTAL INCOME		11,241,799	11,961,069
EXPENSES			
Administration and general expenses	18	3,999,953	4,908,440
Finance charges	19	1,440,345	938,555
Depreciation	3	4,242,556	4,022,198
		9,682,854	9,869,193
Net profit for the year		1,558,945	2,091,876

For Amarak Chemicals FZC

Place: Fujairah
Date: 29 May 2016

Director

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 MARCH 2016

Year to 31 March 2016	Share capital	Shareholders' current accounts	Retained earnings	Legal reserve	Total
	AED	AED	AED	AED	AED
Balance at 1 April 2015	3,000,000	8,522,464	4,644,226	653,409	16,820,099
Net profit for the year	-	-	1,558,945	-	1,558,945
Transfer to legal reserve	-	-	(155,895)	155,895	-
Net movements in current accounts	-	1,454,340	-	-	1,454,340
Balance at 31 March 2016	3,000,000	9,976,804	6,047,276	809,304	19,833,384

Year to 31 March 2015	Share capital	Shareholders' current accounts	Retained earnings	Legal reserve	Total
	AED	AED	AED	AED	AED
Balance at 1 April 2014	3,000,000	7,244,454	2,761,538	444,221	13,450,213
Net profit for the year	-	-	2,091,876	-	2,091,876
Transfer to legal reserve	-	-	(209,188)	209,188	-
Net movements in current accounts	-	1,278,010	-	-	1,278,010
Balance at 31 March 2015	3,000,000	8,522,464	4,644,226	653,409	16,820,099

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

	2016 AED	2015 AED
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the year	1,558,945	2,091,876
Adjustment for:		
Depreciation	4,242,556	4,022,198
Profit on disposal of property, plant and equipment	-	(24,864)
Provision for employees' terminal benefits	48,151	34,274
Operating profit before working capital changes	5,849,652	6,123,484
(Increase) in capital work-in-progress	(4,079,250)	-
(Increase) in inventories	(466,017)	(3,847,516)
(Increase) in trade receivables	(247,574)	(1,303,776)
(Increase) in amounts due from related parties	(96,720)	(145,080)
(Increase)/decrease in deposits, advances and prepayments	(5,349,332)	1,836,835
(Decrease)/increase in trade payable and accruals	(170,474)	256,651
Increase/(decrease) in amounts due to related party	3,387,803	(558,102)
Net cash (used in) / from operating activities	(1,171,912)	2,362,496
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(65,365)	(3,725,754)
Proceeds from sale of property, plant and equipment	-	37,999
Net cash (used in) investing activities	(65,365)	(3,687,755)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movement in current accounts	1,454,340	1,278,010
(Decrease)/Increase in term loans	(240,993)	(15,046)
Net cash from financing activities	1,213,347	1,262,964
Net (decrease) in cash and cash equivalents	(23,930)	(62,295)
Cash and cash equivalents at beginning of the year	37,333	99,628
Cash and cash equivalents at end of the year	13,403	37,333

For Amarak Chemicals FZC

Place: Fujairah

Date: 29 May 2016

Director

Notes To The Financial Statements For The Year Ended 31 March 2016

1. LEGAL STATUS AND ACTIVITY

Legal status : Amarak Chemicals FZC ("the Company") is a Free Zone Company registered in Fujairah Free Zone in the Emirate of Fujairah with limited liability pursuant to and the Implementing Regulations issued there under by the Fujairah Free Zone Authority.

The Company is operating under license No 2084 issued on 9 September 2007 by Fujairah Free Zone Authority, Fujairah, United Arab Emirates.

Activity: The principal activity of the Company is manufacturing of chemicals and fertilizers. The principal place of business of the Company is located at Fujairah Free Zone, Fujairah, United Arab Emirates.

Management: As per license issued by Fujairah Free Zone Authority, Mr. Subramani Shankaranarayan Chalakudi and Mr. Akshay Mirchandani, Indian Nationals are appointed as Directors of the Company.

Accounting period: These financial statements relate to the period from 1 April 2015 till 31 March 2016.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

2.1 Basis of preparation

(i) Compliance with IFRS

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- available-for-sale financial assets, financial assets and liabilities (including derivative instruments) certain classes of property, plant and equipment and investment property – measured at fair value
- assets held for sale – measured at fair value less cost of disposal, and
- defined benefit pension plans – plan assets measured at fair value.

2.2 Changes in accounting policy and disclosures

New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2015:

- Annual Improvements to IFRSs – 2010-2012 Cycle and 2011 – 2013 Cycle
- Defined Benefit Plans: Employee Contributions – Amendments to IAS 19

The adoption of the improvements made in the 2010-2012 Cycle has required additional disclosures in our segment note. Other than that, the adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

The Company also elected to adopt the following two amendments early

- Annual Improvements to IFRSs 2012-2014 Cycle, and
- Disclosure Initiative: Amendments to IAS 1.

As these amendments merely clarify the existing requirements, they do not affect the Company's accounting policies or any of the disclosures.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2015 reporting periods and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and interpretations is set out below.

IFRS 9 Financial Instruments

IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In July 2014, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard.

Following the changes approved by the IASB in July 2014, the group no longer expects any impact from the new classification, measurement and derecognition rules on the group's financial assets and financial liabilities.

While the group has yet to undertake a detailed assessment of the debt instruments currently classified as available-for-sale financial assets, it would appear that they would satisfy the conditions for classification as at fair value through other comprehensive income (FVOCI) based on their current business model for these assets. Hence there will be no change to the accounting for these assets.

There will also be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities.

The new hedging rules align hedge accounting more closely with the group's risk management practices. As a general rule it will be easier to apply hedge accounting going forward as the standard introduces a more principles-based approach. The new standard also introduces expanded disclosure requirements and changes in presentation.

The new impairment model is an expected credit loss (ECL) model which may result in the earlier recognition of credit losses.

The group has not yet assessed how its own hedging arrangements and impairment provisions would be affected by the new rules.

Must be applied for financial years commencing on or after 1 January 2018. Based on the transitional provisions in the completed IFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety.

IFRS 15 Revenue from Contracts with Customers

The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (e.g. 1 January 2017), i.e. without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application.

Management is currently assessing the impact of the new rules and has identified the following areas that are likely to be affected:

- extended warranties, which will need to be accounted for as separate performance obligations, which will delay the recognition of a portion of the revenue
- consignment sales where recognition of revenue will depend on the passing of control rather than the passing of risks and rewards
- IT consulting services where the new guidance may result in the identification of separate performance obligations which could again affect the timing of the recognition of revenue, and
- the balance sheet presentation of rights of return, which will have to be grossed up in future (separate recognition of the right to recover the goods from the customer and the refund obligation)

At this stage, the Company is not able to estimate the impact of the new rules on the Company's financial statements. The Company will make more detailed assessments of the impact over the next twelve months.

Mandatory for financial years commencing on or after 1 January 2018.

Expected date of adoption by the Company: 1 January 2018.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.3 Significant accounting policies

a) Property, plant and equipment

Property, plant and equipment are initially recorded at cost together with any incidental expenses of acquisition or construction. Subsequently they are stated at cost less accumulated depreciation and accumulated impairment losses.

Major costs incurred in restoring property, plant and equipment to their normal working condition are charged to the income statement. Improvements are capitalized and depreciated over their expected useful lives.

b) Depreciation

The cost of property, plant and equipment is depreciated by equal annual installments over the estimated useful lives of the assets. The estimated useful lives of the assets for the calculation of depreciation are as follows:

Building	20 years
Machinery	10 years
Furniture, fixture and office equipment	5 years
Motor vehicle	4 years

c) **Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

d) **Employees' terminal benefits**

Termination benefits are paid to employees' when employment is terminated by the Company before the normal retirement date or whenever an employee accepts voluntary retirement in exchange for these benefits.

Provision is made for employees' terminal benefits on the basis prescribed under the U.A.E Labour Law based on employees' salaries and number of years of service. The terminal benefits are paid to employees on termination or completion of their term of employment.

e) **Inventories**

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average basis. Cost of inventories comprises of costs of purchase, and where applicable cost of conversion and other costs that has been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

f) **Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Accounts payable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

g) **Cash and cash equivalents**

Cash and cash equivalents comprise short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

h) **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied stated net of discounts, returns etc.

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- (i) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (ii) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (iii) the amount of revenue can be measured reliably;
- (iv) it is probable that the economic benefits associated with the transaction will flow to the Company; and
- (v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

i) **Foreign currencies**

Functional and presentation currency

The financial statements are presented in UAE Dirham (AED), which is the Company's functional and presentation currency.

Transaction and balances

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the income statement.

j) **Finance charges**

Finance charges that are directly attributable to the acquisition and construction of property and equipment are capitalized as part of the cost of those assets. Other finance charges are recognized as an expense in the year in which they are incurred.

k) Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade receivables originated by the Company are measured at cost. An allowance for credit losses of trade receivable is established when there is objective evidence that the Company will not be able to collect the amounts due. Indicators that the trade receivable are impaired include consistent default in the payments when due, financial difficulties of the customer and other indicators. When a trade receivable is considered uncollectible, it is written off against the allowance account for credit losses. Subsequent recoveries of amounts previously written off are credited in the statement of income. The carrying value of trade receivable approximate to their fair value due to the short term nature of those receivables.

l) Financial instruments

Financial assets and financial liabilities are recognized on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

m) Impairment*Financial assets*

At each balance sheet date, the Company assesses if there is any objective evidence indicating impairment of financial assets or non-collectability of receivables.

An impairment loss, if any, arrived at as a difference between the carrying amount and the recoverable amount, is recognized in the statement of income. The recoverable amount represents the present value of expected future cash flows discounted at original effective interest rate. Cash flows relating to short term receivables are not discounted.

Non-financial assets

At each balance sheet date, the Company assesses if there is any indication of impairment of non-financial assets. If an indication exists, the Company estimates the recoverable amount of the asset and recognizes an impairment loss in the statement of income. The Company also assesses if there is any indication that an impairment loss recognized in prior years no longer exists or has reduced. The resultant impairment loss or reversals are recognized immediately in the statement of income.

n) Financial liabilities

All financial liabilities are initially measured at cost and are subsequently measured at amortized cost. The effective interest method is a method of calculating the amortized cost of a financial liability and allocating interest expense over the relevant period.

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired.

o) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from the past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

Contingent liabilities are not recognized but are disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognized as provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When an inflow is virtually certain, an asset is recognized.

2.4 Significant accounting estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revisions affect both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Impairment of trade receivables and amounts due from related parties

An estimate of the collectible amount of trade accounts receivable and related parties is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and an allowance applied according to the length of time past due, based on historical recovery rates. Any difference between the amounts actually collected in future periods and the amounts expected to be collected will be recognized in the income statement.

Impairment of property and equipment

A decline in the value of property, plant and equipment could have a significant effect on the amounts recognized in the financial statements. Management assesses the impairment of property and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Factors that are considered important which could trigger an impairment review include the following:

- significant changes in the technology and regulatory environments
- evidence from internal reporting which indicates that the economic performance of the asset is, or will be, worse than expected.

Useful life of property and equipment

The Company's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

3. PROPERTY, PLANT AND EQUIPMENT AS AT 31 MARCH 2016

Particulars	Building	Machineries	Furniture, fixtures and office equipments	Motor vehicles	Total
	AED	AED	AED	AED	AED
Cost:					
at 1 April 2015	14,730,069	32,500,467	160,735	884,950	48,276,221
additions during the year	46,000	12,115	7,250	-	65,365
at 31 March 2016	14,776,069	32,512,582	167,985	884,950	48,341,586
Depreciation:					
at 1 April 2015	2,992,267	11,881,714	121,523	370,168	15,365,672
charge for the year	738,318	3,250,875	32,125	221,238	4,242,556
at 31 March 2016	3,730,585	15,132,589	153,648	591,406	19,608,228
Net book values:					
at 31 March 2016	11,045,484	17,379,993	14,337	293,544	28,733,358
at 31 March 2015	11,737,802	20,618,753	39,212	514,782	32,910,549

Motor vehicles purchased under financing arrangements are subject to a charge.

4. CAPITAL WORK-IN-PROGRESS

Expenditure incurred during the year

Capital work in progress represents expenditure incurred in connection with the erection of machinery. Upon completion of the installation process, the capital work in progress will be allocated to the relevant asset.

2016 AED	2015 AED
4,079,250	-
4,079,250	-
2016 AED	2015 AED
21,948,984	21,293,330
202,130	268,118
177,080	287,183
11,880	25,426
22,340,074	21,874,057

5. INVENTORIES

Raw materials
Finished goods
Packing materials
Consumables

Inventories represent goods lying in the warehouse premises at Fujairah Free Zone which are valued and certified by the technical personnel of the Company.

	2016 AED	2015 AED
6 TRADE RECEIVABLES		
Trade receivables	12,403,831	12,156,257
	<u>12,403,831</u>	<u>12,156,257</u>
(i) In the opinion of the management, the receivables are considered good and fully recoverable.		
	2016 AED	2015 AED
(ii) The aging analysis of the accounts receivable are as follows:		
Due for less than 6 months	12,403,831	12,156,257
Due for more than 6 months	-	-
	<u>12,403,831</u>	<u>12,156,257</u>
7 RELATED PARTY BALANCES		
The Company has in the ordinary course of business, entered into trading, financial and service transactions with concerns in which the shareholders' /directors'/manager of the Company or their relatives have an investing / controlling interest.		
The prices and terms of these transactions were approved by the management and considered comparable to those charged by third parties. The amounts outstanding to related parties are unsecured, which do not attract interest and are payable on demand. No expense has been recognized in the period for bad or doubtful debts in respect of the amounts owed by related parties.		
At the end of the reporting period, amounts due from/to related parties were as follows:-		
<u>Amounts due from related parties</u>		
	2016 AED	2015 AED
Golden Harvest Middle East FZC	241,800	145,080
	<u>241,800</u>	<u>145,080</u>
	2016 AED	2015 AED
<u>Amounts due to related parties</u>		
Golden Harvest Middle East FZC (net)	22,384,397	17,421,426
Aries Agro Ltd, Mumbai, India	1,068,664	2,643,832
	<u>23,453,061</u>	<u>20,065,258</u>
	2016 AED	2015 AED
The volumes of related party transactions during the year were as follows:-		
Sales	96,720	551,769
Purchases	1,068,664	731,385
Directors remuneration	491,000	491,000
	<u>1,656,384</u>	<u>1,774,154</u>
	2016 AED	2015 AED
8 DEPOSITS, ADVANCES AND PREPAYMENTS		
Prepayments	407,968	715,845
Deposits	129,733	232,533
Advance to suppliers	13,327,121	7,566,012
Other receivables	3,000	4,100
	<u>13,867,822</u>	<u>8,518,490</u>
	2016 AED	2015 AED
9 CASH AND BANK BALANCES		
Cash in hand	8,411	4,464
Current account with banks	4,992	32,869
	<u>13,403</u>	<u>37,333</u>

	2016 AED	2015 AED
10 SHARE CAPITAL		
Authorised, issued and paid-up capital (20,000 shares of AED 150 each)	<u>3,000,000</u>	<u>3,000,000</u>
	<u>3,000,000</u>	<u>3,000,000</u>
11 SHAREHOLDERS' CURRENT ACCOUNTS		
Shareholders' current account balances do not attract interest and there are no defined repayment arrangements.		
12 LEGAL RESERVE		
This represents reserve created out of profit of the Company in accordance with the provisions of Memorandum and Articles of Association of the Company.		
13 SHARE APPLICATION MONEY		
Share application money represents amount received from Golden Harvest Middle East FZC, Sharjah Airport International Free Zone, United Arab Emirates, a shareholder of the Company towards advance for allotment of shares of the Company.		
14 PROVISION FOR EMPLOYEES' TERMINAL BENEFITS		
The provision for end of service benefits for employees is made in accordance with the requirements of the U.A.E. Labour Laws. This is an unfunded defined benefits retirement plan. Employees are entitled to benefits based on length of service and final remuneration. Accrued employees' terminal benefits are payable on termination of employment.		
15 TERM LOANS	2016 AED	2015 AED
Motor vehicle loan	<u>174,408</u>	<u>415,401</u>
	<u>174,408</u>	<u>415,401</u>
Installments falling due within 12 months of the balance sheet date - classified as current liabilities.		
Current portion	<u>119,446</u>	<u>240,993</u>
Non current - portion	<u>54,962</u>	<u>174,408</u>
Long term loans represent installments on motor vehicle loans not payable within 12 months of the balance sheet date. Motor vehicle loans taken from finance companies for purchase of motor vehicles are secured by a charge on the motor vehicles purchased under such financing arrangements.		
16 TRADE PAYABLES AND ACCRUALS	2016 AED	2015 AED
Trade payables	2,162,448	3,287,322
Accrued expenses	1,340,002	502,931
Other payables	6,615,000	6,247,500
Advance received from customers	-	250,171
	<u>10,117,450</u>	<u>10,287,924</u>
17 COST OF SALES	2016 AED	2015 AED
Opening inventories	21,874,057	18,026,541
Purchases	14,442,748	16,775,394
Direct expenses	2,091,402	3,211,064
Less: Closing inventories	<u>(22,340,074)</u>	<u>(21,874,057)</u>
	<u>16,068,133</u>	<u>16,138,942</u>

	2016 AED	2015 AED
18 ADMINISTRATION AND GENERAL EXPENSES		
Salaries and benefits	1,265,916	1,272,722
Clearing and forwarding charges- Export	842,189	1,547,716
Rent expenses	919,508	1,032,792
Legal and professional charges	281,819	410,288
Communication expenses	191,136	144,094
Office expenses	195,068	141,857
Insurance charges	114,802	121,265
Vehicle running expenses	63,692	85,318
Repairs and maintenance	4,906	50,127
Commission expenses	30,833	40,374
Advertisement and business promotion expenses	31,789	28,774
Water and electricity charges	36,138	19,527
Travelling expenses	9,096	6,991
Printing and stationery	13,061	6,595
	3,999,953	4,908,440
	2016 AED	2015 AED
19 FINANCE CHARGES		
Bank charges	52,569	72,458
Interest charges	1,387,776	866,097
	1,440,345	938,555

20. FINANCIAL RISK AND CAPITAL MANAGEMENT

20.1 Financial risk factors

Financial assets of the Company include cash, bank balances, trade receivables, deposits, advances and amounts due from related party. Financial liabilities include amounts due to related parties, vehicle loans, trade payables and accruals.

The management believes that the fair values of the financial assets and liabilities approximate to their carrying amounts.

The Company's financial risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects of the financial performance. Under the Company's risk management programme, management identifies and documents key risks and sets out policies and procedures required to mitigate these risks. The identified key risks are:

a) Currency risk

The majority of the Company's financial assets and financial liabilities are either denominated in local currency (AED) or currencies fixed to the AED. Hence the management believes that there would not be a material impact on the profitability if these foreign currencies weakens or strengthens against the AED with all other variables held constant.

b) Credit risk

The Company is potentially exposed to concentration of credit risk from its financial assets which comprise principally bank balances and trade receivables. The Company's bank accounts are placed with high credit quality financial institutions. The credit risk on trade receivables is subjected to credit evaluations and an allowance has been made for estimated irrecoverable amounts. The amounts presented in the balance sheet are net of allowances for doubtful receivables.

The Company is not exposed to any significant concentration of credit risk because its exposure is spread over financial institutions and a large number of customers.

c) Liquidity risk

The Company manages its liquidity risk by ensuring it has sufficient liquid cash balances to meet its payment obligations as they fall due.

20.2 Capital management

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders by pricing products and services commensurately with the level of risk.

The Company sets the amount of capital funds in accordance with the planned level of operations and in proportion to the levels of risk. The Company manages the shareholders' funds and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the shareholders' funds, the Company may adjust the amount of dividends paid to shareholders, return funds to shareholders, issue new shares, or sell assets to reduce its exposure to debt.

21. CAPITAL COMMITMENTS

Operating lease commitments

Commitments as a lessee under operating leases on land leased from Fujairah Free Zone Authority for an initial period of 10 years.

	2016	2015
	AED	AED
(i) Not later than one year from balance sheet date	192,000	192,000
(ii) 1-5 years post balance sheet date	80,000	272,000
	272,000	464,000

Except for the above and ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known capital commitment on Company's financial statements as of reporting date.

22. CONTINGENT LIABILITIES

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability on Company's financial statements as of reporting date.

23. COMPARATIVE FIGURES

Previous year's figures have been regrouped or reclassified wherever necessary to make them comparable to those of the current year. However such reclassification does not have impact on the previously reported profit or equity.

24. LEVEL OF PRECISION

All figures are rounded off to nearest Dirhams (AED).

25. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the shareholders and authorized for issue on 29 May 2016.

NOTICE OF 10th ANNUAL GENERAL MEETING

Notice is hereby given that the Tenth Annual General Meeting of the Members of ARIES AGRO CARE PRIVATE LIMITED will be held on Thursday, 29th September, 2016 at 10.30 AM at the Registered office of the Company at Aries House, Plot No. 24, Deonar, Govandi (East), Mumbai -400 043 to transact the following business:-

1. To receive, consider, approve and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2016, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint Director in place of Prof. R. S. S. Mani(DIN 00527270) who retires by rotation and being eligible offers himself for re-appointment.
3. Appointment of Auditors

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. Kirti D. Shah & Associates, Chartered Accountants, Mumbai, (Membership No. 32371), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Eleventh Annual General Meeting (AGM) of the Company to be held in the year 2017, at such Remuneration plus Service Tax, Out-of-Pocket, Travelling Expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

**By Order of the Board
For Aries Agro Care Private Limited**

Place: Mumbai
Date: 30th May, 2016

**Dr. Jimmy Mirchandani
Director
DIN: 00239021**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE LODGED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

DIRECTOR'S REPORT

To,
The Members of
Aries Agro Care Private Limited.

Your Directors are pleased to present their Tenth Annual Report together with Audited Financial Statements of the Company for the Financial Year ended 31st March, 2016.

1. FINANCIAL RESULTS :

During year under review the Company did not do any business and did not have any Income. Consequently the Company has incurred a loss of Rs. 36,728/- as compared to the Loss of Rs. 23,120/- in the Previous Year.

2. CURRENT STATUS

In view of the extremely volatile nature of the seeds business, your Directors have temporarily suspended the Seed business.

3. DIVIDEND :

Since the Company has incurred losses your Directors do not recommend any Dividend.

4. DEPOSITS :

The Company has not accepted any Fixed Deposits from the Public.

5. PARTICULARS OF EMPLOYEES & RELATED DISCLOSURES

The Company does not have any Managing Directors or Executive/Whole Time Directors or any Employees who were in receipt of remuneration in excess of the provisions under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

6. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186

The Company has not given any Loans or given Guarantees or made Investments in terms of provisions of Section 186 of the Companies Act, 2013.

7. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

As there was no business activity in the Company during the Financial Year 2015-16, there were no Contracts or Arrangements with Related Parties.

8. RISK MANAGEMENT POLICY AND ITS IMPLEMENTATION

Since there is no business activity in the Company and there is no risk which may affect the Company and as the Company is an Un-listed Company no Risk Management Policy has been framed.

9. CORPORATE SOCIAL RESPONSIBILITY

The Company is not covered within provisions of Section 135 of the Companies Act, 2013 and rules framed thereunder.

10. MATERIAL ORDERS PASSED

No material Orders have been passed by any Authorities in

respect of any matters with regards to the business of the Company.

11. INTERNAL FINANCIAL CONTROL

The Company has in place adequate Internal Financial Controls commensurate with the size of the Company with reference to Financial Statements.

12. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

Since the Company does not have any business activity and there were no Foreign Exchange earning, expenditure or outflow, the Particulars in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, as required to be disclosed by the Companies(Accounts) Rules, 2014, are not applicable.

13. DIRECTORS & KEY MANAGERIAL PERSONNEL:

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Prof. R. S. S. Mani(DIN 00527270) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Accordingly his re-appointment forms part of the notice of ensuing AGM.

The Company does not have any Managing Directors or Executive/Whole Time Directors or any Employees hence question of any Key Managerial Personnel does not arise.

14. MEETINGS OF BOARD

Four Meetings of the Board of Directors were held during the year.

15. AUDITORS :

M/s. Kirti D. Shah & Associates, Chartered Accountants, Mumbai,(Membership No. 32371), were appointed as the Statutory Auditors of the Company for a period of 5(five) years at the 8th Annual General Meeting of the Company held on 22nd September, 2014.

As per the provision of Section 139(1) of the Companies Act, 2013, their appointment for the above tenure is subject to ratification by Members at every AGM. Accordingly, ratification of the Members is being sought for proposal contained in the Resolution set out at item No. 3 of the Notice.

16. AUDITORS' REPORT

The Statutory Auditors' Report does not contain any qualification, reservation or adverse remark.

17. DIRECTORS' RESPONSIBILITY STATEMENTS

Pursuant to the requirements of Section 134(5) of the Companies Act, 2013 the Board of Directors, to the best of their knowledge and ability, confirm that

1. in preparation of the Annual Accounts, applicable Accounting Standards have been followed and that there are no material departures
2. they have selected such Accounting Policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and

fair view of the State of the Affairs of the Company at the end of the financial year and of the Loss of the Company for that year;

3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. they have prepared the Annual Accounts on a 'going concern' basis.
5. they have laid down Internal Financial Controls to be followed by the Company and such Internal Financial Controls are adequate and operating effectively;
6. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18. EXTRACTS OF ANNUAL RETURN

As provided under Section 92(3) of the Companies Act, 2013 the Extract of the Annual Return is given in Annexure-I in prescribed Format MGT-9, which forms part of this Report.

19. MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE FINANCIAL YEAR END OF THE COMPANY TO WHICH FINANCIAL RESULTS RELATE

No material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this Report.

20. ACKNOWLEDGEMENT:

Your Directors would like to express their grateful appreciation for the co-operation and assistance received from the HDFC Bank Ltd and other related agencies.

By Order of the Board
For **Aries Agro Care Private Limited**

Dr. Jimmy Mirchandani
Director
DIN: 00239021

Dr. Rahul Mirchandani
Director
DIN: 00239057

Place : Mumbai
Date : 30th May, 2016

FORM NO. MGT – 9
EXTRACT OF ANNUAL RETURN
As on the financial year ended 31.03.2016

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	U01122MH2007PTC166761
Registration Date	5 th January, 2007
Name of the Company	ARIES AGRO CARE PRIVATE LIMITED
Category / Sub-Category of the Company	COMPANY LIMITED BY SHARES /INDIAN NON-GOVERNMENT COMPANY
Address of the Registered Office and contact details	Aries House, Plot No. 24, Deonar, Govandi(E), Mumbai-400 043 Phone No. 022 2556 4052/53 Fax No. 022 2556 4054/2557 1711
Whether listed Company	NO
Name, address and contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sr. No	Name and Description of main products / Services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Seeds	1209	0.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	%age of Shares held	Applicable Section
1.	Aries Agro Limited	Aries House, Plot No. 24, Deonar, Govandi(E), Mumbai-400 043	L99999MH1969PLC014465	Holding	100	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**(i) Category wise shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	10000	10000	100	0	10000	10000	100	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	0	10000	10000	100	0	10000	10000	100	0
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A) (1)+(A)(2)	0	10000	10000	100	0	10000	10000	100	0
B. PUBLIC SHAREHOLDING									-
1. Institutions									-
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0

Aries Agro Care Private Limited

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual Shareholders holding nominal share capital in excess of ₹1 lakh	0	0	0	0	0	0	0	0	0
c) Others Directors and Relatives	0	0	0	0	0	0	0	0	0
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	0	0	0	0	0	0	0	0	0
ii) Other Foreign Nationals	0	0	0	0	0	0	0	0	0
iii) Foreign Bodies	0	0	0	0	0	0	0	0	0
iv) NRI / OCBs	0	0	0	0	0	0	0	0	0
v) Clearing Members / Clearing House	0	0	0	0	0	0	0	0	0
vi) Trusts	0	0	0	0	0	0	0	0	0
vii) Limited Liability Partnership	0	0	0	0	0	0	0	0	0
viii) Foreign Portfolio Investor (Corporate)	0	0	0	0	0	0	0	0	0
ix) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
Sub-Total (B)(2):	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	10000	10000	100.00	0	10000	10000	100.00	-

(ii) **Shareholding of Promoters**

Shareholder's Name	No. of Shares held at the beginning of the year 01.04.2015			No. of Shares held at the end of the year 31.03.2016			% Change during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Aries Agro Limited	10000	100	0	10000	100	0	0
Total	10000	100	0	10000	100	0	0

(iii) **Change in Promoters' Shareholding**

There is no change in Promoter's Shareholding between 01.04.2015 to 31.03.2016.

(iv) **Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year 01.04.2015		Shareholding at the end of the year 31.03.2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Aries Agro Limited	10000	100	10000	100
	Total				

(v) **Shareholding of Directors and Key Managerial Personnel:**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year		Date of change in shareholding	Reason for change
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		
1	Directors						

NIL

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment :

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
1. Principal Amount	NIL	58,13,649	NIL	58,13,649
2. Interest Due but not Paid	NIL	NIL	NIL	NIL
3. Interest accrued but not due	NIL	NIL	NIL	NIL
Total(1+2+3)	NIL	58,13,649	NIL	58,13,649
Change in Indebtedness during the Financial Year				
1. Addition	NIL	3,700	NIL	3,700
2. Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	3,700	NIL	3,700
Indebtedness at the end of the Financial Year				
1. Principal Amount	NIL	58,17,349	NIL	58,17,349
2. Interest Due but not Paid	NIL	NIL	NIL	NIL
3. Interest accrued but not due	NIL	NIL	NIL	NIL
Total(1+2+3)	NIL	58,17,349	NIL	58,17,349

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director / Whole Time Director and/or Manager:

The Company does not have any Managing Director/ Executive Director/Whole Time Director hence no Remuneration has been paid.

B. Remuneration to other Directors:

No Remuneration has been paid to Non-Executive Directors.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTM

The Company does not have any Key Managerial Personnel other than Managing Director/ Executive Director/Whole Time Director hence no Remuneration has been paid

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES (Under the Companies Act) :

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2016

For and on behalf of the Board,

Place: Mumbai
Date: 30th May, 2016

Dr. Jimmy Mirchandani
Director
DIN: 00239021

Dr. Rahul Mirchandani
Director
DIN: 00239057

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

ARIES AGRO CARE PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **ARIES AGRO CARE PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2016;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from the branches not visited by us].
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act:
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B": and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in the notes to accounts of these financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Kirti D. Shah & Associates
Chartered Accountants
Firm Registration No. 115133W

Kirti D. Shah
Proprietor
Membership No.32371

Place : Mumbai
Date : 30th May, 2016

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

The Annexure referred to in our Independent Auditors’ Report to the members of the Company on the financial statements for the year ended 31st March 2016, we report that:

- i. The Company does not have any Fixed Assets hence clause (i) of the said order is not applicable to the company.
- ii. There were no inventories during the year and hence clause (ii) of the said order is not applicable to the company.
- iii. According to the information and explanation given to us, the Company has not granted any loan, secured and unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, clause (iii) of the said order is not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees, and securities.
- v. According to the information and explanations provided by the company, The Company has not accepted deposits from the public. Hence, the question of compliance with the directives issued by Reserve Bank of India and provision of sections 73, 74, 75 and 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 does not arise. No order has been passed by the National Company Law Tribunal or Company Law Board or RBI in this regard.
- vi. The nature of the business activities is such that clause 3(vi) of the Companies (Auditors Report 2016) regarding maintenance of Cost Records is not applicable to the company.
- vii. (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing statutory dues including Provident Fund, Employee State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other material statutory dues except occasional/ minor delays. As per the information given by the management and apparent from the records; The undisputed liabilities as on 31st March 2016 is for a period exceeding six months from the date of it becoming payable is NIL.

(b) There is no disputed liability in respect of tax dues on account of Income Tax, Sales Tax, Service Tax, Customs Duty, Cess, etc.
- viii. The company has not defaulted in repayment of loans or borrowing to a financial institution, banks, or Government. The Company has not obtained any borrowings by way of issue of debentures.
- ix. According to the information and explanation provided to us, the company did not raise any money by way of initial public offering or further public offer (including debt instruments). The company has not taken any term loans during the year under audit.
- x. During the course of our examination of books and records of the company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor we have been informed of any such case by the management.
- xi. According to the information and explanations given to us and based on our examination of the records of the company, the company has not paid/provided for managerial remuneration and hence clause (xi) of the said order is not applicable to the company.
- xii. In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly, clause (xii) of the said Order is not applicable to the company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of the said Order is not applicable to the company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Kirti D. Shah & Associates
Chartered Accountants
Firm Registration No. 115133W

Kirti D. Shah
Proprietor
Membership No.32371

Place : Mumbai
Date : 30th May, 2016

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Aries Agro Care Private Limited (“the Company”) as of 31st March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Kirti D. Shah & Associates
Chartered Accountants
Firm Registration No. 115133W

Kirti D. Shah
Proprietor
Membership No.32371

Place : Mumbai
Date : 30th May, 2016

Balance Sheet as at 31st March, 2016

(Amounts in Rupees unless stated otherwise)

Particulars	Note Nos.	As at 31 March 2016	As at 31 March 2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	100,000	100,000
(b) Reserves and Surplus	4	(2,733,820)	(2,697,092)
		<u>(2,633,820)</u>	<u>(2,597,092)</u>
(2) Current Liabilities			
(a) Short Term Borrowings	5	5,817,349	5,813,649
(b) Trade Payables	6	194,622	171,522
(c) Other Current Liabilities		<u>6,011,971</u>	<u>5,985,171</u>
TOTAL		<u><u>3,378,151</u></u>	<u><u>3,388,079</u></u>
II. ASSETS			
(1) Current Assets			
(a) Cash & Cash Equivalents	7	57,066	58,094
(b) Short Term Loans and Advances	8	3,321,085	3,329,985
		<u>3,378,151</u>	<u>3,388,079</u>
TOTAL		<u><u>3,378,151</u></u>	<u><u>3,388,079</u></u>
Summary of Significant Accounting Policies	2.1		

The Notes referred to above form an integral part of these Financial Statements

As per our report of even date

For Kirti D. Shah & Associates

Chartered Accountants

Firm Registration No. 115133W

Kirti D. Shah

Proprietor

Membership No 32371

Place : Mumbai.

Date : 30th May, 2016.

For and on behalf of the **Board of Directors** of
Aries Agro Care Private Limited

Dr. Jimmy Mirchandani

Director

DIN 00239021

Dr. Rahul Mirchandani

Director

DIN 00239057

Statement of Profit and Loss for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

Particulars	Note Nos.	Year Ended 31 March 2016	Year Ended 31 March 2015
I Other Income	9	-	2,272
II Total Revenue (I)		-	2,272
III Expenses :			
Other Expenses	10	36,728	25,392
Total Expenses		36,728	25,392
IV Profit Before Tax (II - III)		(36,728)	(23,120)
V Profit after Tax (PAT)		(36,728)	(23,120)
VI Profit / (Loss) for the period		(36,728)	(23,120)
VII Earnings per Equity Share			
(1) Basic & Diluted	11	(3.67)	(2.31)
Summary of Significant Accounting Policies	2.1		

The Notes to Accounts 1 to 21 form part of these Financial Statements

As per our report of even date

For Kirti D. Shah & Associates
 Chartered Accountants
 Firm Registration No. 115133W

Kirti D. Shah
 Proprietor
 Membership No 32371

Place : Mumbai.
 Date : 30th May, 2016.

 For and on behalf of the **Board of Directors** of
Aries Agro Care Private Limited

Dr. Jimmy Mirchandani
 Director
 DIN 00239021

Dr. Rahul Mirchandani
 Director
 DIN 00239057

Statement of Cash Flow for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

Sr. No.	Particulars	2015-16	2014-15
A)	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax as per Profit and Loss Account	(36,728)	(23,120)
	Adjusted for :		
	Interest Income	-	(2,272)
		(36,728)	(25,392)
	Operating Profit before Working Capital Changes		
	Adjusted for :		
	Increase / (Decrease) in Trade Payables	23,100	12,122
	Increase / (Decrease) in Provisions & Other Current Liabilities	-	(2,500)
	Cash Generated from Operations,	(13,628)	(15,770)
	Net Cash Flow from Operating Activities (A)	(13,628)	(15,770)
B)	CASH FLOW FROM INVESTING ACTIVITIES		
	Movement in Short Term Loans and Advances	8,900	23,874
	Interest Income	-	2,272
	Net Cash Flow from / (used in) Investing Activities (B)	8,900	26,146
C)	CASH FLOW FROM FINANCIAL ACTIVITIES:		
	Short Term Borrowings (Net)	3,700	8,114
	Net Cash (used in) / from financing activities (C)	3,700	8,114
	Net Increase in Cash and Cash Equivalents	(1,028)	18,489
	Opening Balance of Cash and Cash Equivalents	58,094	39,605
	Closing Balance of Cash and Cash Equivalents	57,066	58,094

As per our report of even date

For and on behalf of the **Board of Directors** of
Aries Agro Care Private Limited

For Kirti D. Shah & Associates

Chartered Accountants

Firm Registration No. 115133W

Dr. Jimmy Mirchandani

Director

DIN 00239021

Kirti D. Shah

Proprietor

Membership No 32371

Dr. Rahul Mirchandani

Director

DIN 00239057

Place : Mumbai.

Date : 30th May, 2016.

NOTES to the Financial Statements for the year ended 31st March, 2016

1. Corporate Information

Aries Agro Care Private Limited was incorporated in January, 2007 as a Wholly Owned Subsidiary of Aries Agro Limited for carrying business in the Branches of agro protection, agro and seeds etc.

2. Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards, notified by the Companies Accounting Standards Rules, 2014 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention except in case of assets for which provision for impairment is made and revaluation is carried out.

Summary of significant accounting policies

A. (i) Basis of preparations of Financial Statements

The Financial statements are prepared under the historical cost convention, except for certain fixed assets which are revalued, in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 2013.

(ii) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

B. Tangible fixed assets

Fixed assets are stated at cost, except for revalued freehold land and buildings, which are shown at estimated replacement cost as determined by valuers less impairment loss, if any, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and other directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Leasehold land on a lease-cum-sale basis are capitalized at the allotment rates charged by the Municipal Authorities.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including routine repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The Company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset.

Gains or losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

C. Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule II to the Companies Act, 2013, whichever is higher.

Leasehold improvements are being depreciated over the lease term or estimated useful life whichever is lower. Used assets acquired from third parties are depreciated on a straight line basis over their remaining useful life of such assets.

The depreciation charge over and above the depreciation calculated on the original cost of the revalued assets is transferred from the revaluation reserve to the statement of profit and loss.

D. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Computer Software which is not an integral part of the related hardware is classified as an intangible asset.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

Gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

E. Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

F. Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss,

NOTES to the Financial Statements for the year ended 31st March, 2016

except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

G. Inventories

Inventories are valued as follows:

Raw materials and packing materials : 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 a first-in-first out basis. Customs duty on imported raw materials (excluding stocks in the bonded warehouse) is treated as part of the cost of the inventories.

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. Cost of finished goods includes excise duty.

Traded goods : Lower of cost and net realizable value. Cost includes the purchase price and other associated costs directly incurred in bringing the inventory to its present location.

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.

Waste and scrap are not separately valued being insignificant in value

H. 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. The following specific recognition criteria must also be met before revenue is recognized.

(i) Sale of products:

Revenue from sale of products is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. The Company collects sales tax and value added tax (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

(ii) Interest Income:

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable

interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

I. Investments

Investments that are readily realizable and intended to be held for not more than twelve months from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements 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 recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss

J. Retirement benefits

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss for the year when the contributions to the government funds are due. The Company has no obligation other than the contribution payable to provident fund authorities.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The gratuity benefit of the Company is administered by a trust formed for this purpose through the group gratuity scheme. Actuarial gains and losses for defined benefit plan are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond 12 months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

K. Foreign currency translation

The transactions in foreign currency are accounted at the exchange rate i.e. custom rate prevailing on the date of transaction. Exchange fluctuation between the transaction date and settlement date in respect of transactions are transferred to exchange rate difference account and written off to profit & loss account.

Current assets and current liabilities involving transactions in foreign currency are converted at the exchange rates prevailing on the date of Balance Sheet. Any profit and loss arising out of such conversion is charged to profit and loss account.

NOTES to the Financial Statements for the year ended 31st March, 2016

Non-monetary items i.e. investments are converted at the rate prevalent on the date of transaction.

L. Income tax

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax liability is recognized for all taxable timing differences. Deferred tax assets are recognized 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 realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized 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 realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on "Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961", the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

M. Earnings Per Share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

N. Segment reporting

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and services to different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operates.

O. Provisions

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

P. Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or nonoccurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Q. Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

All the accounting policies as mentioned above will be applied at the relevant time.

NOTES to the Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

3 SHARE CAPITAL		As at 31 March 2016	As at 31 March 2015
Authorised Share Capital			
10,000 Equity Shares of Rs. 10/- each		100,000	100,000
Total		100,000	100,000
Issued, Subscribed and Paidup			
10,000 Equity Shares of Rs. 10/- each.		100,000	100,000
Total		100,000	100,000

3.1 Reconciliation of Number of Shares Outstanding

Particulars	As at 31 March, 2016 No. of Shares	As at 31 March, 2015 No. of Shares
Equity Shares at the beginning of the year	10,000	10,000
Add : - Issued during the year	-	-
Less :- Shares cancelled during the year	-	-
Equity Shares at the end of the year	10,000	10,000

3.2 List of Shareholder's holding more that 5 percent of Shares

Name of the Shareholder	No. of Shares	As at 31 March, 2016 % Held	No. of Shares	As at 31 March, 2015 % Held
(i) Aries Agro Limited	10,000	100.00	10,000	100.00

4 RESERVES AND SURPLUS		As at 31 March 2016	As at 31 March 2015
Profit & Loss Account			
As per last Balance Sheet		(2,697,092)	(2,673,972)
Add:- Profit / (Loss) for the year		(36,728)	(23,120)
Total		(2,733,820)	(2,697,092)

5 SHORT TERM BORROWINGS		As at 31 March 2016	As at 31 March 2015
Un-Secured Term Loans			
Loan from Directors		5,814,935	5,812,435
Loan from Holding Company		2,414	1,214
Total		5,817,349	5,813,649

6 TRADE PAYABLES		As at 31 March 2016	As at 31 March 2015
Creditors for Expenses		194,622	171,522
Total		194,622	171,522

- 6.1 There are no Micro and Small Enterprises to whom Company owes dues, which are outstanding for more than 45 days as at 31st March, 2016. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTES to the Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

7 CASH AND CASH EQUIVALENTS	As at 31 March 2016	As at 31 March 2015
Balance with Scheduled Banks in Current Accounts	41,750	35,311
Balance with Scheduled Banks in Fixed Deposit Accounts	15,316	22,783
Total	57,066	58,094

8 SHORT TERM LOANS AND ADVANCES	As at 31 March 2016	As at 31 March 2015
Deposits	7,000	7,000
Others	3,314,085	3,322,985
Total	3,321,085	3,329,985

8.1 Advance to Suppliers includes advances paid to the supplier of seeds M/s Pradham Biotech Private Limited, Hyderabad against whom the Company has filed a winding up petition to recover its dues. The Company is hopeful of positive outcome and hence no provision has been made in the accounts towards this advance.

9 OTHER INCOME	Year Ended 31 March 2016	Year Ended 31 March 2015
Interest Income on :		
Bank Fixed Deposits	-	2,272
Total	-	2,272

10 OTHER EXPENSES	Year Ended 31 March 2016	Year Ended 31 March 2015
Other Administration Expenses		
Audit Fees	17,175	16,854
Legal & Professional Fees	15,699	7,618
Bank Charges	154	20
Rent, Rates & Taxes	3,700	900
Total	36,728	25,392

10.1 Payment to Auditors as :

Particulars	As at 31 March 2016	As at 31 March 2015
Statutory Audit Fees	17,175	16,854
Taxation Matters	5,725	5,618
Total	22,900	22,472

NOTES to the Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

11 EARNINGS PER SHARE (EPS)		Year Ended 31 March 2016	Year Ended 31 March 2015
i)	Net Profit After Tax (PAT) as per Statement of Profit and Loss attributable to Equity Shareholders	(36,728)	(23,120)
ii)	Weighted Average number of Equity Shares used as denominator for calculating EPS	10,000	10,000
iii)	Basic & Diluted Earnings per Share (Rs.)	(3.67)	(2.31)
iv)	Face Value per Equity Share (Rs.)	10	10

- 12 Though the Company has discontinued its operations and has incurred losses during the year and its losses are in excess of the paid up capital and free reserves. The company in view of the commitment of the holding company, the principle of going concern is not violated.

13 RELATED PARTY DISCLOSURES

Related Party Disclosures as per Accounting Standard - 18 issued by the Institute of Chartered Accountants of India

Part - A						
Details of Related Parties as per AS - 18						
Sr. No.	Nature of Relationship	Name of the Related Party		Remarks		
1	Holding Company	a)	Aries Agro Limited	a)	Date of becoming Subsidiary of Aries Agro Limited is 5 th January, 2007 (Incorporation Date)	
2	Key Management Personnel	a)	Dr. Jimmy Mirchandani	a)	Director	
		b)	Dr. Rahul Mirchandani	b)	Director	
		c)	Prof. R. S. S. Mani	c)	Director	
3	Relatives of Key Management Personnel	Name of the Key Management Personnel		Name of the Relative		Relationship
		a)	Dr. Jimmy Mirchandani	a)	Mrs. Vivian Prokop Mirchandani	Spouse
				b)	Mr. Akshay Mirchandani	Son
				c)	Mr. Amol Mirchandani	Son
				d)	Dr. Rahul Mirchandani	Brother
		b)	Dr. Rahul Mirchandani	a)	Mrs. Nitya Mirchandani	Spouse
				b)	Mast. Armaan Mirchandani	Son
				c)	Dr. Jimmy Mirchandani	Brother
4	Fellow Subsidiaries	a)	Aries Agro Equipments Pvt Ltd	a)	A wholly owned Subsidiary of Aries Agro Limited	
		b)	Aries Agro Produce Pvt Ltd	b)	A Subsidiary of Aries Agro Limited	
		c)	Golden Harvest Middle East	c)	A Subsidiary of Aries Agro Limited	
		d)	Amarak Chemicals	d)	A Step Down Subsidiary of Aries Agro Limited	
5	Enterprises over which the Key Management Personnel have significant influence or control	a)	Aries East West Nutrients Pvt Ltd			
		b)	Aries Marketing Ltd			
		c)	Blossoms International Ltd			
		d)	Sreeni Agro Chemicals Ltd			

Part - B				
Details of Transactions with Related Parties				
Sr. No.	Category	Nature of Service	Year Ended 31 March 2016	Year Ended 31 March 2015
1	Holding Company	Loans taken	2500	7,500
2	Key Management Personnel	Loans taken	1,200	614

NOTES to the Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

Part - C				
Balance Outstanding with Related Parties				
Nature of Outstanding	Category	Name of the Party	As at 31 March 2016	As at 31 March 2015
Unsecured Loans	Holding Company	Aries Agro Limited	5,814,935	5,812,435
	Key Management Personnel	Dr. Jimmy Mirchandani	2,414	1,214

14. Current Assets, Loan & Advances and Provisions

- The current assets and loans and advances are approximately of the value stated, if realized in the ordinary course of business.
- The provision for all known liabilities is not in excess of the amounts considered reasonably necessary.
- The balances of sundry creditors, sundry debtors and loans and advances are subject to confirmation.
- The loans and advances includes Rs. 33,14,085/- advanced to M/s Pradham Biotech limited for supply of seeds. The said supplier failed to supply the goods in time. The Company has filed suit for winding up the Company. The Company in view of such suit is hopeful of recovery of all dues. Hence no provision is made in the accounts in respect of such dues.

15. Contingent Liability

- Claims against company not acknowledged as debts Rs. 103.64 Lacs which pertains to pending suits regarding alleged dues. [The Company M/s Pradham Biotech Private Limited has filed counter claim in respect of cancellation of order for seeds – See note no. 14(d)].

16. Foreign Exchange Earnings & Outflow:

During the year there were no Foreign Exchange earnings, expenditure or outflow.

17. Micro and Small Scale Business Entities

There are no micro and small Enterprises to whom company owes dues, which are outstanding for more than 45 days as at 31st March, 2016. This Information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

18. Segment Reporting

The Company has only one business segment "Agricultural Seeds" as its primary segment and hence disclosure of segment-wise information is not required under Accounting Standard 17 'Segmental Information' notified pursuant to the Companies (Accounting Standard) Rules, 2006 (as amended).

- In absence of virtual certainty that sufficient future taxable income will be available for setoff of losses incurred by the company, the company has not taken credit for Deferred tax assets.
- The Previous year's figures are re-arranged and re-grouped wherever is necessary.

As per our report of even date

For Kirti D. Shah & Associates

Chartered Accountants
Firm Registration No. 115133W

Kirti D. Shah

Proprietor
Membership No 32371

Place : Mumbai.

Date : 30th May, 2016.

**For and on behalf of the Board of Directors of
Aries Agro Care Private Limited**

Dr. Jimmy Mirchandani

Director
DIN 00239021

Dr. Rahul Mirchandani

Director
DIN 00239057

NOTICE OF 10TH ANNUAL GENERAL MEETING

Notice is hereby given that the Tenth Annual General Meeting of the Members of ARIES AGRO EQUIPMENTS PRIVATE LIMITED will be held on Thursday, 29th September, 2016 at 11.00 a.m. at the Registered office of the Company at Aries House, Plot No. 24, Deonar, Govandi (East), Mumbai-400 043 to transact the following business:-

1. To receive, consider, approve and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2016, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint Director in place of Prof. R. S. S. Mani (DIN 00527270) who retires by rotation and being eligible offers himself for re-appointment.
3. Appointment of Auditors

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. Kirti D. Shah & Associates, Chartered Accountants, Mumbai, (Membership No. 32371), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Eleventh Annual General Meeting (AGM) of the Company to be held in the year 2017, at such Remuneration plus Service Tax, Out-of-Pocket, Travelling Expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

**By Order of the Board
For Aries Agro Equipments Private Limited**

**Dr. Jimmy Mirchandani
Director
DIN: 00239021**

Place: Mumbai

Date: 30th May, 2016

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE LODGED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

DIRECTOR'S REPORT

To,
The Members of
Aries Agro Equipments Private Limited.

Your Directors are pleased to present their Tenth Annual Report together with Audited Financial Statements of the Company for the Financial Year ended 31st March, 2016.

1. FINANCIAL RESULTS :

The Company did not have any Income during the year as against the expenses of Rs. 28,915/- . The Company incurred a loss of Rs. 28,915/- as compared to Loss of Rs. 30,642/- in the previous year.

2. CURRENT STATUS :

Your Directors have temporarily suspended the business of the Company due to inadequacy of Distribution Network specifically for Farm Equipments.

3. DIVIDEND :

Since the Company has incurred losses your Directors do not recommend any Dividend.

4. DEPOSITS :

The Company has not accepted any Fixed Deposits from the Public.

5. PARTICULARS OF EMPLOYEES & RELATED DISCLOSURES

The Company does not have any Managing Directors or Executive/Whole Time Directors or any Employees who were in receipt of remuneration in excess of the provisions under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014,

6. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186

The Company has not given any Loans or given Guarantees or made Investments in terms of provisions of Section 186 of the Companies Act, 2013

7. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

As there was no business activity in the Company during the Financial Year 2015-16, there were no Contracts or Arrangements with Related Parties.

8. RISK MANAGEMENT POLICY AND ITS IMPLEMENTATION

Since there is no business activity in the Company and there is no risk which may affect the Company and as the Company is an Un-listed Company no Risk Management Policy has been framed.

9. CORPORATE SOCIAL RESPONSIBILITY

The Company is not covered within provisions of Section 135 of the Companies Act, 2013 and rules framed thereunder.

10. MATERIAL ORDERS PASSED

No material Orders have been passed by any Authorities in respect of any matters with regards to the business of the Company.

11. INTERNAL FINANCIAL CONTROL

The Company has in place adequate Internal Financial Controls commensurate with the size of the Company with reference to Financial Statements.

12. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

Since the Company does not have any business activity and there were no Foreign Exchange earning, expenditure or outflow, the Particulars in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, as required to be disclosed by the Companies(Accounts) Rules, 2014, are not applicable.

13. DIRECTORS & KEY MANAGERIAL PERSONNEL:

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Prof. R. S. S. Mani(DIN 00527270) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Accordingly his re-appointment forms part of the notice of ensuing AGM.

The Company does not have any Managing Directors or Executive/Whole Time Directors or any Employees hence question of any Key Managerial Personnel does not arise.

14. MEETINGS OF BOARD

Four Meetings of the Board of Directors were held during the year.

15. AUDITORS & AUDITORS REPORTS

M/s. Kirti D. Shah & Associates, Chartered Accountants, Mumbai,(Membership No. 32371), were appointed as the Statutory Auditors of the Company for a period of 5(five) years at the 8th Annual General Meeting of the Company held on 22nd September, 2014.

As per the provision of Section 139(1) of the Companies Act, 2013, their appointment for the above tenure is subject to ratification by Members at every AGM. Accordingly, ratification of the Members is being sought for proposal contained in the Resolution set out at item No. 3 of the Notice.

The Statutory Auditors' Report does not contain any qualification, reservation or adverse remark.

16. DIRECTORS' RESPONSIBILITY STATEMENTS

Pursuant to the requirements of Section 134(5) of the Companies Act, 2013 the Board of Directors, to the best of their knowledge and ability, confirm that:

1. in preparation of the Annual Accounts, applicable Accounting Standards have been followed and that there are no material departures
2. they have selected such Accounting Policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the State of the Affairs of the Company at the end of the financial year and of the Loss of the Company for that year;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in

accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4. they have prepared the Annual Accounts on a 'going concern' basis.
5. they have laid down Internal Financial Controls to be followed by the Company and such Internal Financial Controls are adequate and operating effectively;
6. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

17. EXTRACTS OF ANNUAL RETURN

As provided under Section 92(3) of the Companies Act, 2013 the Extract of the Annual Return is given in Annexure-I in prescribed Format MGT-9, which forms part of this Report.

18. MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE FINANCIAL YEAR END OF THE COMPANY TO WHICH FINANCIAL RESULTS RELATE

No material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this Report.

19. ACKNOWLEDGEMENT :

Your Directors would like to express their grateful appreciation for the co-operation and assistance received from the HDFC Bank Ltd and other related agencies.

By Order of the Board
For **Aries Agro Equipments Pvt. Ltd.,**

Dr. Jimmy Mirchandani
Director
DIN: 00239021

Dr. Rahul Mirchandani
Director
DIN: 00239057

Place : Mumbai
Date: 30th May, 2016

FORM NO. MGT – 9
EXTRACT OF ANNUAL RETURN
As on the financial year ended 31.03.2016

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	U01403MH2007PTC166972
Registration Date	12 th January, 2007
Name of the Company	ARIES AGRO EQUIPMENTS PRIVATE LIMITED
Category / Sub-Category of the Company	COMPANY LIMITED BY SHARES /INDIAN NON-GOVERNMENT COMPANY
Address of the Registered Office and contact details	Aries House, Plot No. 24, Deonar, Govandi(E), Mumbai-400 043 Phone No. 022 2556 4052/53 Fax No. 022 2556 4054/2557 1711
Whether listed Company	NO
Name, address and contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sr. No	Name and Description of main products / Services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Farm Equipments	8424	0.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	%tage of Shares held	Applicable Section
1.	Aries Agro Limited	Aries House, Plot No. 24, Deonar, Govandi(E), Mumbai-400 043	L99999MH1969PLC014465	Holding	100	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
(i) Category wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.PROMOTERS									
(1) Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	10000	10000	100	0	10000	10000	100	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	0	10000	10000	100	0	10000	10000	100	0
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	0	10000	10000	100	0	10000	10000	100	0
B. PUBLIC SHAREHOLDING									-
1. Institutions									-
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual Shareholders holding nominal share capital in excess of ₹1 lakh	0	0	0	0	0	0	0	0	0
c) Others Directors and Relatives	0	0	0	0	0	0	0	0	0
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	0	0	0	0	0	0	0	0	0
ii) Other Foreign Nationals	0	0	0	0	0	0	0	0	0
iii) Foreign Bodies	0	0	0	0	0	0	0	0	0
iv) NRI / OCBs	0	0	0	0	0	0	0	0	0
v) Clearing Members / Clearing House	0	0	0	0	0	0	0	0	0
vi) Trusts	0	0	0	0	0	0	0	0	0
vii) Limited Liability Partnership	0	0	0	0	0	0	0	0	0
viii) Foreign Portfolio Investor (Corporate)	0	0	0	0	0	0	0	0	0
ix) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
Sub-Total (B)(2):	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0

Aries Agro Equipments Private Limited

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	10000	10000	100.00	0	10000	10000	100.00	-

(ii) Shareholding of Promoters

Shareholder's Name	No. of Shares held at the beginning of the year 01.04.2015			No. of Shares held at the end of the year 31.03.2016			% Change during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Aries Agro Limited	10000	100	0	10000	100	0	0
Total	10000	100	0	10000	100	0	0

(iii) Change in Promoters' Shareholding

There is no change in Promoter's Shareholding between 01.04.2015 to 31.03.2016.

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	Shareholder's Name *	Shareholding at the beginning of the year 01.04.2015		Shareholding at the end of the year 31.03.2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Aries Agro Limited	10000	100	10000	100

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Shareholder's Name	Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year		Date of change in shareholding	Reason for change
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		
1	Directors						
1		NIL					

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment :

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
1. Principal Amount	NIL	35,71,472	NIL	35,71,472
2. Interest Due but not Paid	NIL	NIL	NIL	NIL
3. Interest accrued but not due	NIL	NIL	NIL	NIL
Total(1+2+3)	NIL	35,71,472	NIL	35,71,472
Change in Indebtedness during the Financial Year				
1. Addition	NIL	3,700	NIL	3,700
2. Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	3,700	NIL	3,700
Indebtedness at the end of the Financial Year				
1. Principal Amount	NIL	35,75,172	NIL	35,75,172
2. Interest Due but not Paid	NIL	NIL	NIL	NIL
3. Interest accrued but not due	NIL	NIL	NIL	NIL
Total(1+2+3)	NIL	35,75,172	NIL	35,75,172

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director / Whole Time Director and/or Manager:

The Company does not have any Managing Director/ Executive Director/Whole Time Director hence no Remuneration has been paid.

B. Remuneration to other Directors:

No Remuneration has been paid to Non-Executive Directors.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

The Company does not have any Key Managerial Personnel other than Managing Director/ Executive Director/Whole Time Director hence no Remuneration has been paid

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES (Under the Companies Act) :

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2016

For and on behalf of the Board,

Place: Mumbai

Date: 30th May, 2016

Dr. Jimmy Mirchandani

Director

DIN: 00239021

Dr. Rahul Mirchandani

Director

DIN: 00239057

INDEPENDENT AUDITORS' REPORT OF ARIES AGRO EQUIPMENTS PVT. LTD.

TO THE MEMBERS OF

ARIES AGRO EQUIPMENTS PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **ARIES AGRO EQUIPMENTS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2016;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Sub section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from the branches not visited by us].
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act:
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B": and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in the notes to accounts of these financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Kirti D. Shah & Associates
Chartered Accountants
Firm Registration No. 115133W

Kirti D. Shah
Proprietor
Membership No. 32371

Place : MUMBAI
Date : 30th May, 2016

ANNEXURE “A” to the Independent Auditor’s Report

(This is the Annexure referred to in our Report of even date)

The Annexure referred to in our Independent Auditors’ Report to the members of the Company on the financial statements for the year ended 31st March 2016, we report that:

- i. The Company does not have any Fixed Assets hence clause (i) of the said order is not applicable to the company.
- ii. There were no inventories during the year and hence clause (ii) of the said order is not applicable to the company.
- iii. According to the information and explanation given to us, the Company has not granted any loan, secured and unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, clause (iii) of the said order is not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees, and securities.
- v. According to the information and explanations provided by the company, The Company has not accepted deposits from the public. Hence, the question of compliance with the directives issued by Reserve Bank of India and provision of sections 73, 74, 75 and 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 does not arise. No order has been passed by the National Company Law Tribunal or Company Law Board or RBI in this regard.
- vi. The nature of the business activities is such that clause 3(vi) of the Companies (Auditors Report 2016) regarding maintenance of Cost Records is not applicable to the company.
- vii. (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing statutory dues including Provident Fund, Employee State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other material statutory dues except occasional/ minor delays. As per the information given by the management and apparent from the records; The undisputed liabilities as on 31st March 2016 is for a period exceeding six months from the date of it becoming payable is NIL.

(b) There is no disputed liability in respect of tax dues on account of Income Tax, Sales Tax, Service Tax, Customs Duty, Cess, etc.
- viii. The company has not defaulted in repayment of loans or borrowing to a financial institution, banks, or Government. The Company has not obtained any borrowings by way of issue of debentures.

- ix. According to the information and explanation provided to us, the company did not raise any money by way of initial public offering or further public offer (including debt instruments). The company has not taken any term loans during the year under audit.
- x. During the course of our examination of books and records of the company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor we have been informed of any such case by the management.
- xi. According to the information and explanations given to us and based on our examination of the records of the company, the company has not paid/provided for managerial remuneration and hence clause (xi) of the said order is not applicable to the company.
- xii. In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly, clause (xii) of the said Order is not applicable to the company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of the said Order is not applicable to the company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Kirti D Shah & Associates
Chartered Accountants
Firm Registration No. 115133W

Place: Mumbai
Date: 30th May, 2016

Kirti D. Shah
Proprietor
Membership No. 32371

ANNEXURE “B” to the Independent Auditor’s Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Aries Agro Equipment Private Limited (“the Company”) as of 31st March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that: -

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Kirti D Shah & Associates
Chartered Accountants
Firm Registration No. 115133W

Place: Mumbai
Date: 30th May, 2016

Kirti D. Shah
Proprietor
Membership No. 32371

Balance Sheet as at 31st March, 2016

(Amounts in Rupees unless stated otherwise)

Particulars	Note Nos.	As at 31 March 2016	As at 31 March 2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	100,000	100,000
(b) Reserves and Surplus	4	7,713,671	7,742,586
		7,813,671	7,842,586
(2) Current Liabilities			
(a) Short Term Borrowings	5	3,575,172	3,571,472
(b) Trade Payables	6	556,131	533,031
		4,131,303	4,104,503
TOTAL		11,944,974	11,947,089
II. ASSETS			
(1) Current Assets			
(a) Trade Receivables	7	11,806,960	11,806,960
(b) Cash & Cash Equivalents	8	44,509	42,180
(c) Short Term Loans and Advances	9	93,505	97,949
		11,944,974	11,947,089
TOTAL		11,944,974	11,947,089
Summary of Significant Accounting Policies	2.1		

The Notes referred to above form an integral part of these Financial Statements

As per our Report of even date

For and on behalf of the **Board of Directors** of
Aries Agro Equipments Private Limited

For Kirti D Shah & Associates
Chartered Accountants
Firm Registration No. 115133W

Dr. Jimmy Mirchandani
Director
DIN 00239021

Kirti D Shah
Proprietor
Membership No 32371

Dr. Rahul Mirchandani
Director
DIN 00239057

Place : Mumbai
Date : 30th May, 2016

Statement of Profit and Loss for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

Particulars	Note No.s	Year Ended 31 March 2016	Year Ended 31 March 2015
I. Expenses :			
Other Expenses	10	28,915	30,642
Total Expenses		28,915	30,642
II. Profit Before Tax		28,915	30,642
III. Profit after Tax (PAT)		28,915	30,642
IV. Profit / (Loss) for the period		(28,915)	(30,642)
V. Earnings per Equity Share	11		
(1) Basic & Diluted		(2.89)	(3.06)
Summary of Significant Accounting Policies	2.1		

The Notes referred to above form an integral part of these Financial Statements

As per our Report of even date

 For and on behalf of the Board of Directors of
Aries Agro Equipments Private Limited
For Kirti D Shah & Associates
 Chartered Accountants
 Firm Registration No. 115133W

Dr. Jimmy Mirchandani
 Director
 DIN 00239021

Kirti D Shah
 Proprietor
 Membership No 32371

Dr. Rahul Mirchandani
 Director
 DIN 00239057

Place : Mumbai
Date : 30th May, 2016

Statement of Cash Flows for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

Sr. No.	Particulars	Year Ended 31 March, 2016	Year Ended 31 March, 2015
A)	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax as per Statement Profit and Loss Account	(28,915)	(30,642)
	Operating Profit before Working Capital Changes	(28,915)	(30,642)
	Adjusted for :		
	Increase / (Decrease) in Trade Payables	23,100	21,472
	Cash Generated from Operations,	(5,814)	(9,170)
	Net Cash Flow from Operating Activities (A)	(5,814)	(9,170)
B)	CASH FLOW FROM INVESTING ACTIVITIES :		
	Movement in Short Term Loans and Advances	4,444	25,000
	Net Cash Flow from / (used in) Investing Activities (B)	4,444	25,000
C)	CASH FLOW FROM FINANCIAL ACTIVITIES:		
	Short Term Borrowings (Net)	3,700	614
	Net Cash (used in) / from financing activities (C)	3,700	614
	Net Increase in Cash and Cash Equivalents	2,329	16,443
	Opening Balance of Cash and Cash Equivalents	42,180	25,737
	Closing Balance of Cash and Cash Equivalents	44,509	42,180

As per our Report of even date

For and on behalf of the **Board of Directors** of
Aries Agro Equipments Private Limited

For Kirti D Shah & Associates
Chartered Accountants
Firm Registration No. 115133W

Dr. Jimmy Mirchandani
Director
DIN 00239021

Kirti D Shah
Proprietor
Membership No 32371

Dr. Rahul Mirchandani
Director
DIN 00239057

Place : Mumbai
Date : 30th May, 2016

NOTES to the Financial Statements for the year ended 31st March, 2016

1. Corporate Information

Aries Agro Equipments Private Limited was incorporated in January, 2007 as a Wholly Owned Subsidiary of Aries Agro Limited for carrying business in all type of farm equipments, machinery.

2. Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards, notified by the Companies Accounting Standards Rules, 2014 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention except in case of assets for which provision for impairment is made and revaluation is carried out

2.1 Summary of significant accounting policies

A. (i) Basis of preparations of Financial Statements

The Financial statements are prepared under the historical cost convention, except for certain fixed assets which are revalued, in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 2013.

(ii) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

B. Tangible fixed assets

Fixed assets are stated at cost, except for revalued freehold land and buildings, which are shown at estimated replacement cost as determined by valuers less impairment loss, if any, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and other directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Leasehold land on a lease-cum-sale basis are capitalized at the allotment rates charged by the Municipal Authorities.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including routine repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The Company adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset.

Gains or losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

C. Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule II to the Companies Act, 2013, whichever is higher.

Leasehold improvements are being depreciated over the lease term or estimated useful life whichever is lower. Used assets acquired from third parties are depreciated on a straight line basis over their remaining useful life of such assets.

The depreciation charge over and above the depreciation calculated on the original cost of the revalued assets is transferred from the revaluation reserve to the statement of profit and loss.

D. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Computer Software which is not an integral part of the related hardware is classified as an intangible asset.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

Gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

NOTES to the Financial Statements for the year ended 31st March, 2016

E. Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

F. Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

G. Inventories

Inventories are valued as follows:

Raw materials and packing materials : 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 a first-in-first out basis. Customs duty on imported raw materials (excluding stocks in the bonded warehouse) is treated as part of the cost of the inventories.

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. Cost of finished goods includes excise duty.

Traded goods : Lower of cost and net realizable value. Cost includes the purchase price and other associated costs directly incurred in bringing the inventory to its present location.

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.

Waste and scrap are not separately valued being insignificant in value

H. 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. The following specific recognition criteria must also be met before revenue is recognized.

(i) Sale of products:

Revenue from sale of products is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

(ii) Interest Income:

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

NOTES to the Financial Statements for the year ended 31st March, 2016

I. Investments

Investments that are readily realizable and intended to be held for not more than twelve months from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements 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 recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

J. Retirement benefits

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss for the year when the contributions to the government funds are due. The Company has no obligation other than the contribution payable to provident fund authorities.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The gratuity benefit of the Company is administered by a trust formed for this purpose through the group gratuity scheme. Actuarial gains and losses for defined benefit plan are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond 12 months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

K. Foreign currency translation

The transactions in foreign currency are accounted at the exchange rate i.e. custom rate prevailing on the date of transaction. Exchange fluctuation between the transaction date and settlement date in respect of transactions are transferred to exchange rate difference account and written off to profit & loss account.

Current assets and current liabilities involving transactions in foreign currency are converted at the exchange rates prevailing on the date of Balance Sheet. Any profit and loss arising out of such conversion is charged to profit and loss account.

Non-monetary items i.e. investments are converted at the rate prevalent on the date of transaction.

L. Income tax

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax liability is recognized for all taxable timing differences. Deferred tax assets are recognized 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 realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized 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 realized.

NOTES to the Financial Statements for the year ended 31st March, 2016

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on "Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961", the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

M. Earnings Per Share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

N. Segment reporting

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and services to different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operates.

O. Provisions

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

P. Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or nonoccurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Q. Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

All the accounting policies as mentioned above will be applied at the relevant time.

NOTES to the Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

3 SHARE CAPITAL	As at 31 March 2016	As at 31 March 2015
Authorised Share Capital		
10,000 Equity Shares of Rs. 10/- each	100,000	100,000
Total	100,000	100,000
Issued, Subscribed and Paidup		
10,000 Equity Shares of Rs.10/- each.	100,000	100,000
Total	100,000	100,000

3.1 Reconciliation of Number of Shares Outstanding

Particulars	As at 31 March 2016 No. of Shares	As at 31 March 2015 No. of Shares
Equity Shares at the beginning of the year	10,000	10,000
Equity Shares at the end of the year	10,000	10,000

3.2 List of Shareholder's holding more than 5 percent of Shares

Name of the Shareholder	No. of Shares	As at 31 March, 2016 % Held	No. of Shares	As at 31 March, 2015 % Held
(i) Aries Agro Limited	10,000	100.00	10,000	100.00

4 RESERVES AND SURPLUS	As at 31 March 2016	As at 31 March 2015
Profit & Loss Account		
As per last Balance Sheet	7,742,586	7,773,228.04
Add:- Profit for the year	(28,915)	(30,642.25)
Total	7,713,671	7,742,585.79

5 SHORT TERM BORROWINGS	As at 31 March 2016	As at 31 March 2015
Un-Secured Borrowings		
Loan from Holding Company	3,552,759	3,550,259
Loan from Directors	2,413	1,214
Security Deposits	20,000	20,000
Total	3,575,172	3,571,472

6 <u>TRADE PAYABLES</u>	As at 31 March 2016	As at 31 March 2015
Creditors for expenses	556,131	533,031
Total	556,131	533,031

NOTES to the Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

- 6.1 There are no Micro and Small Enterprises to whom Company owes dues, which are outstanding for more than 45 days as at 31st March, 2016. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

7	TRADE RECEIVABLES	As at 31 March 2016	As at 31 March 2015
	(Unsecured - Considered Good)		
	Outstanding for a period exceeding six months (from Due Date of Payment)	11,806,960	11,806,960
	Total	11,806,960	11,806,960

- 7.1 Trade Receivables includes Amount due from Related Parties

Particulars	As at 31 March 2016	As at 31 March 2015
(i) Aries Agro Limited	11,806,960	11,806,960
Total	11,806,960	11,806,960

8	CASH AND CASH EQUIVALENTS	As at 31 March 2016	As at 31 March 2015
	Balance with Scheduled Banks in Current Account	44,509	42,180
	Total	44,509	42,180

9	SHORT TERM LOANS AND ADVANCES	As at 31 March 2016	As at 31 March 2015
	Balances with Income Tax Authorities	5,505	9,949
	Deposits	88,000	88,000
	Total	93,505	97,949

10	OTHER EXPENSES	Year ended 31 March 2016	Year ended 31 March 2015
	Other Administration Expenses		
	Audit Fees	17,175	16,854
	Legal & Professional Fees	7,925	7,618
	Rent, Rates & Taxes	3,700	6,150
	Bank charges	115	20
	Total	28,915	30,642

- 10.1 Payment to Auditors as :

	Year ended 31 March 2016	Year ended 31 March 2015
a) Statutory Audit Fees	17,175	16,854
b) Taxation Matters	5,725	5,618
	22,900	22,472

NOTES to the Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

11 EARNINGS PER SHARE (EPS)		Year ended 31 March 2016	Year ended 31 March 2015
i)	Net Profit After Tax (PAT) as per Statement of Profit and Loss attributable to Equity Shareholders	(28,915)	(30,642)
ii)	Weighted Average number of Equity Shares used as denominator for calculating EPS	10,000	10,000
iii)	Basic & Diluted Earnings per Share (Rs.)	(2.89)	(3.06)
iv)	Face Value per Equity Share (Rs.)	10	10

12. RELATED PARTY DISCLOSURES

Related Party Disclosures as per Accounting Standard - 18 issued by the Institute of Chartered Accountants of India

Part - A

Details of Related Parties as per AS - 18

Details of Related Parties as per AC - 10

Sr. No.	Nature of Relationship	Name of the Related Party		Remarks		
1	Holding Company	a)	Aries Agro Limited	a)	Date of becoming Subsidiary of Aries Agro Limited is 12th January, 2007 (Incorporation Date)	
2	Key Management Personnel	a)	Dr. Jimmy Mirchandani	a)	Director	
		b)	Dr. Rahul Mirchandani	b)	Director	
		c)	Prof. R. S. S. Mani	b)	Director	
3	Relatives of Key Management Personnel	Name of the Key Management Personnel		Name of the Relative		Relationship
		a)	Dr. Jimmy Mirchandani	a)	Mrs. Vivian Prokop Mirchandani	Spouse
				b)	Mr. Akshay Mirchandani	Son
				c)	Mr. Amol Mirchandani	Son
				d)	Dr. Rahul Mirchandani	Brother
		b)	Dr. Rahul Mirchandani	a)	Mrs. Nitya Mirchandani	Spouse
				b)	Mast. Armaan Mirchandani	Son
				c)	Dr. Jimmy Mirchandani	Brother
4	Fellow Subsidiaries	a)	Aries Agro Care Pvt Ltd	a)	A wholly owned Subsidiary of Aries Agro Limited	
		b)	Aries Agro Produce Pvt Ltd	b)	A Subsidiary of Aries Agro Limited	
		c)	Golden Harvest Middle East FZC	c)	A Subsidiary of Aries Agro Limited	
		d)	Amarak Chemicals FZC	d)	A Step Down Subsidiary of Aries Agro Limited	
5	Enterprises over which the Key Management Personnel have significant influence or control	a)	Aries East West Nutrients Pvt Ltd			
		b)	Aries Marketing Ltd			
		c)	Blossoms International Ltd			
		d)	Sreeni Agro Chemicals Ltd			

Part - B

Details of Transactions with Related Parties

Sr. No.	Category	Nature of Service	Year Ended 31 March 2016	Year Ended 31 March 2015
1	Holding Company	Loan taken	2,500	-
2.	Key Management Personnel	Loan taken	1,200	614

Notes to the Financial Statements for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

Part - C				
Balance Outstanding with Related Parties				
Category	Nature of Outstanding	Name of the Party	As at 31 March 2016	As at 31 March 2015
Holding Company	Unsecured Loans	Aries Agro Limited	3,552,759	3,550,259
	Trade Receivables	Aries Agro Limited	11,806,960	11,806,960
Key Management Personnel	Unsecured Loans	Dr. Jimmy Mirchandani	2,413	1,214

13. Current Assets, Loan & Advances and Provisions

- a) The current assets and loans and advances are approximately of the value stated, if realized in the ordinary course of business.
- b) The provision for all known liabilities is not in excess of the amounts considered reasonably necessary.
- c) The balances of Sundry Creditors, Sundry Debtors and Loans and Advances are subject to confirmation.

14. Goods has been returned to various branches of the company and were beyond repairs. Cost of bringing the goods to the head office was higher than net realization value. Hence the defective goods has been treated as scrap.

15. Foreign Exchange Earnings & Outflow:

During the year there was no foreign exchange earning, expenditure or outflow.

16. Micro And Small Scale Business Entities

There are no micro and small Enterprises to whom company owes dues, which are outstanding for more than 45 days as at 31st March, 2016. This Information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

17. Segment Reporting

The Company has only one business segment "Agricultural Equipments" as its primary segment and hence disclosure of segment-wise information is not required under Accounting Standard 17 'Segmental Information' notified pursuant to the Companies (Accounting Standard) Rules, 2006 (as amended).

18. In absence of virtual certainty that sufficient future taxable income will be available for setoff of losses incurred by the Company, the Company has not taken credit for Deferred Tax Assets.
19. The Previous years figures are re-arranged or re-grouped wherever is necessary.

As per our Report of even date

For and on behalf of the **Board of Directors** of
Aries Agro Equipments Private Limited

For Kirti D Shah & Associates
Chartered Accountants
Firm Registration No. 115133W

Dr. Jimmy Mirchandani
Director
DIN 00239021

Kirti D Shah
Proprietor
Membership No 32371

Dr. Rahul Mirchandani
Director
DIN 00239057

Place : Mumbai
Date : 30th May, 2016

NOTICE OF 8TH ANNUAL GENERAL MEETING

Notice is hereby given that the Eighth Annual General Meeting of the Members of **ARIES AGRO PRODUCE PRIVATE LIMITED** will be held on the Thursday, 29th September, 2016 at 11.30 a.m. at the Registered office of the Company at Aries House, Plot No. 24, Deonar, Govandi (East), Mumbai-400 043 to transact the following business:-

1. To receive, consider, approve and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2016, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint Director in place of Dr. Rahul Mirchandani(DIN 00239057) who retires by rotation and being eligible offers himself for re-appointment.
3. Appointment of Auditors

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. Kirti D. Shah & Associates, Chartered Accountants, Mumbai,(Membership No. 32371), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Ninth Annual General Meeting(AGM) of the Company to be held in the year 2017, at such Remuneration plus Service Tax, Out-of-Pocket, Travelling Expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

**By Order of the Board
For Aries Agro Produce Private Limited**

Place: Mumbai
Date: 30th May, 2016

**Dr. Jimmy Mirchandani
Director
DIN: 00239021**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE LODGED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

DIRECTOR'S REPORT

To,
The Members of
Aries Agro Produce Private Limited.

Your Directors are pleased to present the their Eighth Annual Report together with Audited Financial Statements of the Company for the Financial Year ended 31st March, 2016.

1. FINANCIAL RESULTS :

The Company has incurred a loss of Rs. 27,100/- during the year under review.

2. STATUS OF THE PROJECT :

The operations of the Company has not yet commenced. The Company has entered into Memorandum of Understanding with the Government of Gujarat for Corporate Farming and Food Processing operations which is yet to commence.

3. DIVIDEND :

Since the Company has not commenced commercial production during the period under review, the Company has not made any profits. Hence, your Directors have not recommended any dividend for the period under review.

4. DEPOSITS :

The Company has not accepted any Fixed Deposits from the Public.

5. PARTICULARS OF EMPLOYEES & RELATED DISCLOSURES

The Company does not have any Managing Directors or Executive/Whole Time Directors or any Employees who were in receipt of remuneration in excess of the provisions under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

6. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186

The Company has not given any Loans or given Guarantees or made Investments in terms of provisions of Section 186 of the Companies Act, 2013

7. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

As there was no business activity in the Company during the Financial Year 2015-16, there were no Contracts or Arrangements with Related Parties.

8. RISK MANAGEMENT POLICY AND ITS IMPLEMENTATION

Since there is no business activity in the Company and there is no risk which may affect the Company and as the Company is an Un-listed Company no Risk Management Policy has been framed.

9. CORPORATE SOCIAL RESPONSIBILITY

The Company is not covered within provisions of Section 135 of the Companies Act, 2013 and rules framed thereunder.

10. MATERIAL ORDERS PASSED

No material Orders have been passed by any Authorities in respect of any matters with regards to the business of the Company.

11. INTERNAL FINANCIAL CONTROL

The Company has in place adequate Internal Financial Controls commensurate with the size of the Company with reference to Financial Statements.

12. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREGIN EXCHANGE EARNINGS AND OUTGO :

Since the Company does not have any business activity and there were no Foreign Exchange earning, expenditure or outflow, the Particulars in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, as required to be disclosed by the Companies(Accounts) Rules, 2014, are not applicable.

13. DIRECTORS & KEY MANAGERIAL PERSONNEL:

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Dr. Rahul Mirchandani(DIN 00239057) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Accordingly his re-appointment forms part of the notice of ensuing AGM.

The Company does not have any Managing Directors or Executive/Whole Time Directors or any Employees hence question of any Key Managerial Personnel does not arise.

14. MEETINGS OF BOARD

Four Meetings of the Board of Directors were held during the year.

15. AUDITORS :

M/s. Kirti D. Shah & Associates, Chartered Accountants, Mumbai,(Membership No. 32371), were appointed as the Statutory Auditors of the Company for a period of 5(five) years at the 6th Annual General Meeting of the Company held on 22nd September, 2014.

As per the provision of Section 139(1) of the Companies Act, 2013, their appointment for the above tenure is subject to ratification by Members at every AGM. Accordingly, ratification of the Members is being sought for proposal contained in the Resolution set out at item No. 3 of the Notice.

16. AUDITORS' REPORT:

The Statutory Auditors' Report does not contain any qualification, reservation or adverse remark.

17. DIRECTORS' RESPONSIBILITY STATEMENTS

Pursuant to the requirements of Section 134(5) of the Companies Act, 2013 the Board of Directors, to the best of their knowledge and ability, confirm that:

1. in preparation of the Annual Accounts, applicable Accounting Standards have been followed and that there are no material departures
2. they have selected such Accounting Policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the State of the Affairs of the Company at the end of the financial year and of the Loss of the Company for that year;
3. they have taken proper and sufficient care for the

maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4. they have prepared the Annual Accounts on a 'going concern' basis.
5. they have laid down Internal Financial Controls to be followed by the Company and such Internal Financial Controls are adequate and operating effectively;
6. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18. EXTRACTS OF ANNUAL RETURN

As provided under Section 92(3) of the Companies Act, 2013 the Extract of the Annual Return is given in Annexure-I in prescribed Format MGT-9, which forms part of this Report.

19. MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE FINANCIAL

YEAR END OF THE COMPANY TO WHICH FINANCIAL RESULTS RELATE

No material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this Report.

20. ACKNOWLEDGEMENT :

Your Directors would like to express their grateful appreciation for the co-operation and assistance received from the ICICI Bank Ltd and other related agencies.

By Order of the Board
For **Aries Agro Produce Pvt. Ltd.,**

Dr. Jimmy Mirchandani
Director
DIN: 00239021

Dr. Rahul Mirchandani
Director
DIN: 00239057

Place: Mumbai
Date : 30th May, 2016

FORM NO. MGT – 9
EXTRACT OF ANNUAL RETURN
As on the financial year ended 31.03.2016

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	U01403MH2008PTC183789
Registration Date	20 th June, 2008
Name of the Company	ARIES AGRO PRODUCE PRIVATE LIMITED
Category / Sub-Category of the Company	COMPANY LIMITED BY SHARES /INDIAN NON-GOVERNMENT COMPANY
Address of the Registered Office and contact details	Aries House, Plot No. 24, Deonar, Govandi(E), Mumbai-400 043 Phone No. 022 2556 4052/53 Fax No. 022 2556 4054/2557 1711
Whether listed Company	NO
Name, address and contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sr. No	Name and Description of main products / Services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Farming	0710	0.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	%tage of Shares held	Applicable Section
1.	Aries Agro Limited	Aries House, Plot No. 24, Deonar, Govandi(E), Mumbai-400 043	L99999MH1969PLC014465	Holding	75	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**(i) Category wise shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.PROMOTERS									
(1) Indian									
a) Individual/HUF	0	2500	2500	25	0	2500	2500	25	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	7500	7500	75	0	7500	7500	75	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	0	10000	10000	100	0	10000	10000	100	0
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0

Aries Agro Produce Private Limited

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A) (1)+(A)(2)	0	10000	10000	100	0	10000	10000	100	0
B. PUBLIC SHAREHOLDING									-
1. Institutions									-
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0	0	0	0	0	0
c) Others Directors and Relatives	0	0	0	0	0	0	0	0	0
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	0	0	0	0	0	0	0	0	0
ii) Other Foreign Nationals	0	0	0	0	0	0	0	0	0
iii) Foreign Bodies	0	0	0	0	0	0	0	0	0
iv) NRI / OCBs	0	0	0	0	0	0	0	0	0
v) Clearing Members / Clearing House	0	0	0	0	0	0	0	0	0
vi) Trusts	0	0	0	0	0	0	0	0	0
vii) Limited Liability Partnership	0	0	0	0	0	0	0	0	0
viii) Foreign Portfolio Investor (Corporate)	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ix) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
Sub-Total (B)(2):	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	10000	10000	100.00	0	10000	10000	100.00	-

(ii) Shareholding of Promoters

Shareholder's Name	No. of Shares held at the beginning of the year 01.04.2015			No. of Shares held at the end of the year 31.03.2016			% Change during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Aries Agro Limited	7500	75	0	7500	75	0	0
Dr. Jimmy Mirchandani	1200	12	0	1200	12	0	0
Dr. Rahul Mirchandani	1200	12	0	1200	12	0	0
Mr. Amol Mirchandani	100	1	0	100	1	0	0
Total	10000	100	0	10000	100	0	0

(iii) Change in Promoters' Shareholding

There is no change in Promoter's Shareholding between 01.04.2015 to 31.03.2016.

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	Shareholder's Name *	Shareholding at the beginning of the year 01.04.2015		Shareholding at the end of the year 31.03.2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Aries Agro Limited	7500	75	7500	75
2	Dr. Jimmy Mirchandani	1200	12	1200	12
3	Dr. Rahul Mirchandani	1200	12	1200	12
4	Mr. Amol Mirchandani	100	1	100	1
	Total	10000	100	10000	100

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Shareholder's Name	Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year		Date of change in shareholding	Reason for change
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		
1	Dr. Jimmy Mirchandani	1200	12	1200	12	0	N.A
2	Dr. Rahul Mirchandani	1200	12	1200	12	0	N.A

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment :

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
1. Principal Amount	NIL	69,514	NIL	69,514
2. Interest Due but not Paid	NIL	NIL	NIL	NIL
3. Interest accrued but not due	NIL	NIL	NIL	NIL
Total(1+2+3)	NIL	69,514	NIL	69,514
Change in Indebtedness during the Financial Year				
1. Addition	NIL	2,000	NIL	2,000
2. Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	2,000	NIL	2,000
Indebtedness at the end of the Financial Year				
1. Principal Amount	NIL	71,514	NIL	71,514
2. Interest Due but not Paid	NIL	NIL	NIL	NIL
3. Interest accrued but not due	NIL	NIL	NIL	NIL
Total(1+2+3)	NIL	71,514	NIL	71,514

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director / Whole Time Director and/or Manager:

The Company does not have any Managing Director/ Executive Director/Whole Time Director hence no Remuneration has been paid.

B. Remuneration to other Directors:

No Remuneration has been paid to Non-Executive Directors.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTM

The Company does not have any Key Managerial Personnel other than Managing Director/ Executive Director/Whole Time Director hence no Remuneration has been paid

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES (Under the Companies Act) :

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2016.

For and on behalf of the Board,

Place: Mumbai
Date: 30th May, 2016

Dr. Jimmy Mirchandani
Director
DIN: 00239021

Dr. Rahul Mirchandani
Director
DIN: 00239057

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

ARIES AGRO PRODUCE PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **ARIES AGRO PRODUCE PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2016;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from the branches not visited by us].
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act:
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B": and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in the notes to accounts of these financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Kirti D Shah & Associates
Chartered Accountants
Firm Registration No. 115133W

Kirti D. Shah
Proprietor
Membership No. 32371

Place : Mumbai
Date : 30th May, 2016

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

The Annexure referred to in our Independent Auditors’ Report to the members of the Company on the financial statements for the year ended 31st March 2016, we report that:

- i. The Company does not have any Fixed Assets hence clause (i) of the said order is not applicable to the company.
- ii. There were no inventories during the year and hence clause (ii) of the said order is not applicable to the company.
- iii. According to the information and explanation given to us, the Company has not granted any loan, secured and unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, clause (iii) of the said order is not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees, and securities.
- v. According to the information and explanations provided by the company, The Company has not accepted deposits from the public. Hence, the question of compliance with the directives issued by Reserve Bank of India and provision of sections 73, 74, 75 and 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 does not arise. No order has been passed by the National Company Law Tribunal or Company Law Board or RBI in this regard.
- vi. The nature of the business activities is such that clause 3(vi) of the Companies (Auditors Report 2016) regarding maintenance of Cost Records is not applicable to the company.
- vii. (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing statutory dues including Provident Fund, Employee State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other material statutory dues except occasional/ minor delays. As per the information given by the management and apparent from the records; The undisputed liabilities as on 31st March 2016 is for a period exceeding six months from the date of it becoming payable is NIL.
(b) There is no disputed liability in respect of tax dues on account of Income Tax, Sales Tax, Service Tax, Customs Duty, Cess, etc.
- viii. The company has not defaulted in repayment of loans or borrowing to a financial institution, banks, or Government. The Company has not obtained any borrowings by way of issue of debentures.

- ix. According to the information and explanation provided to us, the company did not raise any money by way of initial public offering or further public offer (including debt instruments). The company has not taken any term loans during the year under audit.
- x. During the course of our examination of books and records of the company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor we have been informed of any such case by the management.
- xi. According to the information and explanations given to us and based on our examination of the records of the company, the company has not paid/provided for managerial remuneration and hence clause (xi) of the said order is not applicable to the company.
- xii. In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly, clause (xii) of the said Order is not applicable to the company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of the said Order is not applicable to the company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Kirti D Shah & Associates
Chartered Accountants
Firm Registration No. 115133W

Place : Mumbai
Date : 30th May, 2016

Kirti D. Shah
Proprietor
Membership No. 32371

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Aries Agro Produce Private Limited** (“the Company”) as of 31st March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that: -

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Kirti D. Shah & Associates
Chartered Accountants
Firm Registration No. 115133W

Place : Mumbai
Date : 30th May, 2016

Kirti D Shah
Proprietor
Membership No. 32371

Balance Sheet as at 31st March, 2016

(Amounts in Rupees unless stated otherwise)

Particulars	Note Nos.	As at 31 March 2016	As at 31 March 2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	100,000	100,000
(b) Reserves and Surplus	4	(299,878)	(272,778)
		<u>(199,878)</u>	<u>(172,778)</u>
(2) Current Liabilities			
(a) Short Term Borrowings	5	71,514	69,514
(b) Trade Payables	6	128,364	103,264
		<u>199,878</u>	<u>172,778</u>
TOTAL		<u>-</u>	<u>-</u>
II. ASSETS			
(1) Current Assets			
(a) Cash & Cash Equivalents		-	-
		<u>-</u>	<u>-</u>
TOTAL		<u>-</u>	<u>-</u>
Summary of Significant Accounting Policies	2.1		

The Notes referred to above form an integral part of these Financial Statements

As per our report of even date

For Kirti D. Shah & Associates
Chartered Accountants
Firm Registration No. 115133W

Kirti D. Shah
Proprietor
Membership No 32371

Place : Mumbai

Date:- 30th May, 2016

For and on behalf of the **Board of Directors** of
Aries Agro Produce Private Limited

Dr. Jimmy Mirchandani
Director
DIN 00239021

Dr. Rahul Mirchandani
Director
DIN 00239057

Statement of Profit and Loss for the year ended 31st March 2016

(Amounts in Rupees unless stated otherwise)

Particulars	Note Nos.	Year Ended 31 March 2016	Year Ended 31 March 2015
I. Expenses :			
Other Expenses	7	27,100	19,610
Total Expenses		27,100	19,610
II. Profit Before Tax		(27,100)	(19,610)
III. Profit / (Loss) for the period (PAT)		(27,100)	(19,610)
III. Earnings per Equity Share			
(1) Basic & Diluted	8	(2.71)	(1.96)
Summary of Significant Accounting Policies	2.1		

The Notes referred to above form an integral part of these Financial Statements

As per our report of even date

For Kirti D. Shah & Associates
Chartered Accountants
Firm Registration No. 115133W

Kirti D. Shah
Proprietor
Membership No 32371

Place : Mumbai

Date:- 30th May, 2016

For and on behalf of the **Board of Directors** of
Aries Agro Produce Private Limited

Dr. Jimmy Mirchandani
Director
DIN 00239021

Dr. Rahul Mirchandani
Director
DIN 00239057

Statement of Cash Flows for the year ended 31st March, 2016

(Amounts in Rupees unless stated otherwise)

Sr. No.	Particulars	Year Ended 31 March, 2016	Year Ended 31 March, 2015
A)	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax as per Statement of Profit and Loss	(27,100)	(19,610)
	Operating Profit before Working Capital Changes	(27,100)	(19,610)
	Adjusted for :		
	Increase / (Decrease) in Trade Payables	25,100	16,853
	Increase / (Decrease) in Provisions & Other Current Liabilities	2,000	-
	Cash Generated from Operations,	-	(2,757)
	Net Cash Flow from Operating Activities (A)	-	(2,757)
B)	CASH FLOW FROM INVESTING ACTIVITIES :		
	Net Cash Flow from / (used in) Investing Activities (B)	-	-
C)	CASH FLOW FROM FINANCING ACTIVITIES:		
	Short Term Borrowings (Net)	-	1,534
	Net Cash (used in) / from financing activities (C)	-	1,534
	Net Increase in Cash and Cash Equivalents	-	(1,223)
	Opening Balance of Cash and Cash Equivalents	-	1,223
	Closing Balance of Cash and Cash Equivalents	-	-

As per our report of even date

For and on behalf of the **Board of Directors** of
Aries Agro Produce Private Limited

For Kirti D. Shah & Associates
Chartered Accountants
Firm Registration No. 115133W

Dr. Jimmy Mirchandani
Director
DIN 00239021

Kirti D. Shah
Proprietor
Membership No 32371

Dr. Rahul Mirchandani
Director
DIN 00239057

Place : Mumbai

Date:- 30th May, 2016

NOTES to the Financial Statements for the year ended 31st March 2016

1. Corporate Information

Aries Agro Produce Private Limited was incorporated in June, 2008 as a Subsidiary of Aries Agro Limited for carrying business in all kinds of farming.

2. Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards, notified by the Companies Accounting Standards Rules, 2014 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention except in case of assets for which provision for impairment is made and revaluation is carried out.

2.1 Summary of significant accounting policies

A. (i) Basis of preparations of Financial Statements

The Financial statements are prepared under the historical cost convention, except for certain fixed assets which are revalued, in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 2013.

(ii) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

B. Tangible fixed assets

Fixed assets are stated at cost, except for revalued freehold land and buildings, which are shown at estimated replacement cost as determined by valuers less impairment loss, if any, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and other directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Leasehold land on a lease-cum-sale basis are capitalised at the allotment rates charged by the Municipal Authorities.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including routine repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The Company adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable

asset to the cost of the asset and depreciates the same over the remaining life of the asset.

Gains or losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

C. Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule II to the Companies Act, 2013, whichever is higher.

Leasehold improvements are being depreciated over the lease term or estimated useful life whichever is lower. Used assets acquired from third parties are depreciated on a straight line basis over their remaining useful life of such assets.

The depreciation charge over and above the depreciation calculated on the original cost of the revalued assets is transferred from the revaluation reserve to the statement of profit and loss.

D. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Computer Software which is not an integral part of the related hardware is classified as an intangible asset.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

Gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

E. Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

F. Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any

NOTES to the Financial Statements for the year ended 31st March 2016

indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

G. Inventories

Inventories are valued as follows:

Raw materials and packing materials : 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 a first-in-first out basis. Customs duty on imported raw materials (excluding stocks in the bonded warehouse) is treated as part of the cost of the inventories.

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. Cost of finished goods includes excise duty.

Traded goods : Lower of cost and net realizable value. Cost includes the purchase price and other associated

costs directly incurred in bringing the inventory to its present location.

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.

Waste and scrap are not separately valued being insignificant in value

H. 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. The following specific recognition criteria must also be met before revenue is recognised.

(i) Sale of products:

Revenue from sale of products is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. The Company collects sales tax and value added tax (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

(ii) Interest Income:

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

I. Investments

Investments that are readily realisable and intended to be held for not more than twelve months from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements 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 recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss

NOTES to the Financial Statements for the year ended 31st March 2016

J. Retirement benefits

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss for the year when the contributions to the government funds are due. The Company has no obligation other than the contribution payable to provident fund authorities.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The gratuity benefit of the Company is administered by a trust formed for this purpose through the group gratuity scheme. Actuarial gains and losses for defined benefit plan are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond 12 months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

K. Foreign currency translation

The transactions in foreign currency are accounted at the exchange rate i.e. custom rate prevailing on the date of transaction. Exchange fluctuation between the transaction date and settlement date in respect of transactions are transferred to exchange rate difference account and written off to profit & loss account.

Current assets and current liabilities involving transactions in foreign currency are converted at the exchange rates prevailing on the date of Balance Sheet. Any profit and loss arising out of such conversion is charged to profit and loss account.

Non-monetary items i.e. investments are converted at the rate prevalent on the date of transaction.

L. Income tax

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax liability is recognised for all taxable timing differences. 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. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each reporting 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.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on "Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961", the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

M. Earnings Per Share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares

NOTES to the Financial Statements for the year ended 31st March, 2016

outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

There is no reasonable certainty of future prospects of the company for profit earning hence deferred tax is not provided in the books of accounts.

N. Segment reporting

Identification of segments

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and services to different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operates.

O. Provisions

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate

can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

P. Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or nonoccurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Q. Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

All the accounting policies as mentioned above will be applied at the relevant time.

(Amounts in Rupees unless stated otherwise)

3 SHARE CAPITAL		As at 31 March 2016	As at 31 March 2015
Authorised Share Capital			
5,00,000 Equity Shares of Rs. 10/- each		5,00,000	5,00,000
Total		5,00,000	5,00,000
Issued, Subscribed and Paidup			
10,000 Equity Shares of Rs.10/- each.		100,000	100,000
Total		100,000	100,000
3.1 Reconciliation of Number of Shares Outstanding			
Particulars		As at 31 March 2016 No. of Shares	As at 31 March 2015 No. of Shares
Equity Shares at the beginning of the year		10,000	10,000
Equity Shares at the end of the year		10,000	10,000

Notes to the Financial Statements for the year ended 31st March 2016

(Amounts in Rupees unless stated otherwise)

3.2 List of Shareholder's holding more than 5 percent of Shares

Name of the Shareholder	No. of Shares	As at 31 March, 2016 % Held	No. of Shares	As at 31 March, 2015 % Held
(i) Dr. Jimmy Mirchandani	1,200	12.00%	1,200	12.00%
(ii) Dr. Rahul Mirchandani	1,200	12.00%	1,200	12.00%
(iii) Aries Agro Ltd	7,500	75.00%	7,500	75.00%

4 RESERVES AND SURPLUS

As per last Balance Sheet

Add:- Profit /(Loss) as per Statement of Profit & Loss

Total

As at 31 March 2016	As at 31 March 2015
(272,778)	(253,168)
(27,100)	(19,610)
<u>(299,878)</u>	<u>(272,778)</u>

5 SHORT TERM BORROWINGS

Un-Secured Borrowings

Loan from Holding Company

Loan from Directors

As at 31 March 2016	As at 31 March 2015
65,460	65,460
6,054	4,054
<u>71,514</u>	<u>69,514</u>

6 TRADE PAYABLES

Creditors for Expenses

Total

As at 31 March 2016	As at 31 March 2015
128,364	103,264
<u>128,364</u>	<u>103,264</u>

7 OTHER EXPENSES

Other Administration Expenses

Audit Fees

Legal & Professional Fees

Rent, Rates & Taxes

Other Expenses

Total

Year Ended 31 March 2016	Year Ended 31 March 2015
17,175	11,236
7,925	5,618
2,000	1,500
-	1,256
<u>27,100</u>	<u>19,610</u>

7.1 Payment to Auditors as :

	Year Ended 31 March 2016	Year Ended 31 March 2015
Statutory Audit Fees	17,175	11,236
Taxation Matters	5,725	5,618
	<u>22,900</u>	<u>16,854</u>

8 EARNINGS PER SHARE (EPS)

- i) Net Profit After Tax (PAT) as per Statement of Profit and Loss attributable to Equity Shareholders
- ii) Weighted Average number of Equity Shares used as denominator for calculating EPS
- iii) Basic & Diluted Earnings per Share (Rs.)
- iv) Face Value per Equity Share (Rs.)

Year Ended 31 March 2016	Year Ended 31 March 2015
(27,100)	(19,610)
10,000	10,000
(2.71)	(1.96)
10	10

Notes to the Financial Statements for the year ended 31st March 2016

(Amounts in Rupees unless stated otherwise)

9 RELATED PARTY DISCLOSURES

Related Party Disclosures as per Accounting Standard - 18 issued by the Institute of Chartered Accountants of India

Part - A				
Details of Related Parties				
Sr. No.	Nature of Relationship	Name of the Related Party	Remarks	
1	Holding Company	a) Aries Agro Limited	a) Date of becoming Subsidiary of Aries Agro Limited is 20th June, 2008 (Incorporation Date)	
2	Key Management Personnel	a) Dr. Jimmy Mirchandani b) Dr. Rahul Mirchandani	a) Director b) Director	
3	Relatives of Key Management Personnel	Name of the Key Management Personnel	Name of the Relative	Relationship
		a) Dr. Jimmy Mirchandani	a) Mrs. Vivian Prokop Mirchandani b) Mr. Akshay Mirchandani c) Mr. Amol Mirchandani d) Dr. Rahul Mirchandani	Spouse Son Son Brother
		b) Dr. Rahul Mirchandani	a) Mrs. Nitya Mirchandani b) Mast. Armaan Mirchandani c) Dr. Jimmy Mirchandani	Spouse Son Brother
4	Fellow Subsidiaries	a) Aries Agro Care Pvt Ltd b) Aries Agro Equipments Pvt Ltd c) Golden Harvest Middle East FZC d) Amarak Chemicals FZC	a) A wholly owned Subsidiary of Aries Agro Limited b) A wholly owned Subsidiary of Aries Agro Limited c) A Subsidiary of Aries Agro Limited d) A Step Down Subsidiary of Aries Agro Limited	
5	Enterprises over which the Key Management Personnel have significant influence or control	a) Aries East West Nutrients Pvt Ltd b) Aries Marketing Ltd c) Blossoms International Ltd d) Sreeni Agro Chemicals Ltd		

Part - B				
Details of Transactions with Related Parties				
Sr. No.	Category	Nature of Service	Year Ended 31 March 2016	Year Ended 31 March 2015
1	Key Management Personnel	Loan taken	2,000	1,534

Part - C				
Balance Outstanding with Related Parties				
Category	Nature of Outstanding	Name of the Party	As at 31 March 2016	As at 31 March 2015
Holding Company	Unsecured Loans	Aries Agro Limited	65,460	65,460
Key Management Personnel	Unsecured Loans	Dr. Jimmy Mirchandani	6,054	4,054

10. Current Assets, Loan & Advances and Provisions

- The current assets and loans and advances are approximately of the value stated, if realized in the ordinary course of business.
- The provision for all known liabilities is not in excess of the amounts considered reasonably necessary.
- The balances of Sundry Creditors and Loans and Advances are subject to confirmation. .

11. Contingent liability is generally not provided in the accounts but is disclosed by way of notes to accounts.

12. **Foreign Exchange Earnings & Outflow:**

During the year there were no Foreign Exchange earnings, expenditure or outflow.

Notes to the Financial Statements for the year ended 31st March 2016

13. Micro And Small Scale Business Entities

There are no micro and small Enterprises to whom company owes dues, which are outstanding for more than 45 days as at 31st March, 2016. This Information as required to be disclosed under the micro, small and medium enterprises development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

14. In absence of virtual certainty that sufficient future taxable income will be available for Setoff of losses incurred by the company, the company has not taken credit for Deferred tax assets.
15. Previous year's figures have been regrouped wherever necessary so as to make them comparable with the current year;

As per our report of even date

For Kirti D. Shah & Associates
Chartered Accountants
Firm Registration No. 115133W

Kirti D. Shah
Proprietor
Membership No 32371

Place : Mumbai

Date: 30th May, 2016

For and on behalf of the **Board of Directors** of
Aries Agro Produce Private Limited

Dr. Jimmy Mirchandani
Director
DIN 00239021

Dr. Rahul Mirchandani
Director
DIN 00239057



NOTES

[illegible]



46th ANNUAL GENERAL MEETING

Registered Office: Aries House, Plot No. 24, Deonar, Govandi, (East), Mumbai-400 043.

ATTENDANCE SLIP

Please complete this attendance slip and hand over at the entrance of the Meeting Hall

L.F. No(s) / DP ID & Client ID _____

NAME OF THE SHAREHOLDER _____

PROXY _____

No. of Shares held : _____

I / We hereby record our presence at the **Forty Sixth Annual General Meeting** held on Friday, the **30th September, 2016** at The Chembur Gymkhana, 16th Road, Chembur, Mumbai – 400 071

SIGNATURE OF THE SHAREHOLDER / PROXY* _____

*Strike out whichever is not applicable



46th ANNUAL GENERAL MEETING

Registered Office: Aries House, Plot No. 24, Deonar, Govandi, (East), Mumbai-400 043.

PROXY FORM

I / We _____

of _____ being the Member / Members of ARIES AGRO LIMITED, MUMBAI, hereby appoint

Mr. _____

of _____ or failing him Mr. _____

of _____ as my / our proxy to vote for me / us on my / our behalf, at the **Forty Sixth Annual General Meeting** of the Company to be held on **Friday, the 30th September, 2016** and at any adjournment thereof.

Affix
Re.1/-
Revenue
Stamp

Signed this _____ day of _____, 2016



Customers & Farmers visit in Brunei



Aries Team Meeting Customers From Germany



Aries International Business Team Visited Southern Horticulture Research Institute In Vietnam



Aries Extension Team Visiting Fields in Nepal



Customer visit in Pakistan



All India Director's Circle Customers attended Aries 2020 Campaign Launch at Bombay Stock Exchange, Mumbai



Aries Customer Convention for Eastern Region in Jaipur



Aries Flash Sale and Customer Convention for Andhra Pradesh Dealers



Aries Flash Sale And Customer Convention for East UP, Bihar, Rajasthan, Gujarat, Haryana & Chattisgarh at Haridwar



Customers Visiting Aries Factory at Hyderabad



Apple Growers Meet at Himachal Pradesh



• OTHER MAJOR EVENTS •



Signing of MOU with Indian Oil Retail



Best Marketing teams of Aries Receive their Chairman's Trophies for 2015-16



Aries Display Contest held in Nashik Region



Best Sales Staff Receive their Chairman's Trophies for 2015-16



Graduation Ceremony of Aries Senior Managers who successfully completed Executive Development Program on Management and Leadership at KCT Business School, Coimbatore

• CORPORATE SOCIAL RESPONSIBILITY •



Distribution of Water Purifier to a School by Aries Nashik Team



Aries Telangana Team Distributing Cots, Pillows and Bedsheets under Infrastructure Support in Khammam District, Telangana



Distribution of Tricycles to the Handicapped in Guntur District, Andhra Pradesh



Installation of Water Storage Tanks in Bellary, Karnataka

• BOOK POST •