

aries agro limited



40th
ANNUAL REPORT
2009 - 2010

17 Successful product launches in the year 2009-2010

Biodegradable Chelates



Biodegradable Chelated Iron 9.0%
Fe IDHA



Biodegradable Chelated Copper 10.0%
Cu IDHA



Biodegradable Chelated Manganese 9.0%
Mn IDHA



Biodegradable Chelated Zinc 10.0%
Zn IDHA

"Natural Amino acid Chelates"



Amino acid Chelate of Zinc 12.0%



Amino acid Chelate of Copper 12.0%



Amino acid Chelate of Manganese 12.0%



Amino acid Chelate of Iron 12.0%



Amino acid chelates
fortified with Nitrogen



Liquid Amino Acid



Soluble Seaweed Extract



Chelated Calcium Nitrate



Liquid Calcium Nitrate derivatives
fortified with Bio-Degradable
Chelated Minerals



Water pH indicator

Liquid Biofertilisers



Liquid Biofertiliser



Liquid Biofertiliser

FARM EQUIPMENTS

WS 16P, Knapsack Hand Sprayer
WS 15D, Knapsack Battery Sprayer



CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Members,

It is with great pleasure that I present to you the 40th Annual Report of your Company, Aries Agro Limited.

2009-10, the year under review in this Report, was extremely turbulent for the agribusiness industry, with the macro environment being burdened with the pressure of dealing with the worst drought in over three and a half decades, high inflation, stiff monetary policy increasing the cost of funds, low farm productivity and depleting harvests. Despite this extremely difficult environment, I am proud of the efforts of the Aries family, their grit, persistence, faith and determination to deal with adversity and thankful for the confidence of all our external stakeholders which stood firm in these testing times, resulting in your company scaling new heights and recording high revenue growth of 27 % and year-on-year profitability growth of 14 %. This demonstrates that all of us as a strong, cohesive and focused team faced the challenges head-on with robust plans and systematic processes to emerge winners.

The year under review was also historic for your organization as it was the first full year of functioning as an Indian-born multinational, with an expanded manufacturing base in India and the United Arab Emirates and growing sales in 4 countries overseas. With a total manufacturing base of over 1,50,000 MT at 8 locations, your company now has arguably the largest world class manufacturing base of specialty plant nutrition solutions set up by an Indian company. It is this network of factories producing 76 of our Aries brands that gives us the confidence to serve our customers in India and around the world.

2009-10 saw a record launch of 15 new products, including 4 India-first concepts of European bio degradable chelates, 5 Natural Amino acid Chelates, a Marine Plant extract from Norway, a Water Treatment formulation, 2 Calcium Nitrate derivatives and 2 imported Agricultural sprayers. The year also saw Aries entering new markets like Kerala and Kashmir. Aries products are currently being sold in 1,75,000 villages across 24 Indian states, with distribution access to two out of every three districts of the country.

To complement the traditional trade channel and increase access to unserved markets, your company has an efficient fleet of 100 Krishi Vigyan Vahans that have travelled 11,24,168 kilometers and spread awareness of specialty plant nutrition concepts in 4,658 villages spread across 10 States during 2009-10 by conducting farmer briefings, structured meetings and audio visual presentations, providing advisory services, mobile soil testing and field demonstrations. The Aries KVV's were featured by the Wall Street Journal as one of the most innovative rural brand promotion and effective extension efforts. We are confident that this fleet of KVV's will further strengthen our consumer connect and enhance brand loyalty and trust.

Your company's wide product range matches the world's best and biggest plant nutrition companies. This vast range of cost-effective, world class products serves a major differentiator as it provides Aries farmers with the widest choice of customized plant nutrients, tailor-made for his crop and soil specific needs. Our efforts to further enhance this brand portfolio will continue with further research and development at our own R&D labs and by working with Agricultural

Universities and Research Institutions.

Your company continues to work very hard in ensuring development of the rural communities where we work and grow. During the year, we have scaled up our range of Environmentally Sensitive plant nutrition solutions to include natural and bio degradable products in addition to our flagship brands which are all chemically inert Chelated micronutrients. We also promote the use of Water Soluble Packaging. Our strategic CSR initiatives are typically aimed at spreading Knowledge far and wide in rural areas. This is achieved by working closely with the Confederation of Indian Industry's Young Indian Farmers Network, government and all stakeholders to build a comprehensive, sustained dialogue towards evolving a framework for Indian Good Agricultural Practices (Indo-GAP). In addition, knowledge dissemination activities were undertaken with Aries branded programs included Uniconnect – a structured lab to land programme that connects university faculty, researchers and students with young farmers, Suryodaya – farmers training in local areas and Bal Krishak Sambodhan sessions in rural schools – Guest lectures by experts to expose higher secondary school students to the latest agricultural methods making them 'future ready'.

We also conducted two very successful National Agromax conferences in Guwahati, Assam and in Hissar, Haryana. Together these two flagship events had close to 4000 young farmers in attendance and had a galaxy of over 40 speakers and involved CII's Young Indians, 5 State Governments, 9 Agricultural Universities and many agribusiness corporates. Farmers were also provided with commodity prices, crop advisories and weather alerts throughout the year using mobile phone text messages. In addition, using our analytical labs and mobile soil testing units, over 30,000 soil samples were analysed across the country and soil health cards issued to farmers at subsidized prices. These efforts have not only increased the spread of up-to-date information on crop management and integrated nutrient management in rural India but have been demand creators for your company's product range. The success of these efforts will ensure that we will work to scale them up in the months ahead.

Your company's overseas factories are now fully operational for the production of Chelates, Soluble Boron and Sulphur Bentonite. The UAE team is confident that they are fully prepared to meet the demand for Aries in India and the growing needs of our global customers.

The outlook for the year 2010-11 seems positive with all indications pointing to normal rainfall. This will certainly have a beneficial impact on your company's growth and profitability. We are looking at adding 3 new plant protection products and 3 new plant nutrition products during 2010-11.

I would like to thank each one of you personally for your confidence in Aries. Together, we will ensure that your company grows further in the year ahead.

Sincerely,

Dr Jimmy Mirchandani

Chairman & Managing Director

Balance Sheet as at
March 31, 2010
Profit & Loss Account for the year ended
March 31, 2010
with **Director's Report**

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BOARD OF DIRECTORS:

Dr. Jimmy Mirchandani
Chairman & Managing Director

Dr. Rahul Mirchandani
Executive Director

Dr. D. S. Jadhav
Director

Prof. R. S. S. Mani
Director

Mr. Akshay Mirchandani
Director

Mr. C. B. Chhaya
Additional Director (w.e.f. 29.10.2009)

CHIEF FINANCIAL OFFICER

Mr. S. Ramamurthy

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Kaiser P. Ansari

AUDITORS:

Kirti D. Shah and Associates
Chartered Accountants
53, Juhu Supreme Shopping
Centre, 2nd Floor, Gulmohar
Cross Rd. No.9, JVPD Scheme,
Mumbai-400 049.

INTERNAL AUDITORS:

Kirit Manek & Co.
Chartered Accountants
14B, Nootan Nagar,
Turner Road, Bandra(W),
Mumbai-400 050

BANKERS:

ICICI Bank Ltd.
SEG Dept.
B Wing 3rd Floor,
Mafatlal Chambers,
N.M Joshi Marg, Lower Parel (E)
Mumbai - 400 013

HDFC Bank Limited

Emerging Corporate Group
Trade World, 'A' Wing, 2nd Floor
Kamala Mill Compound
Senapati Bapat Marg, Lower Parel
Mumbai-400 013

Canara Bank

Chembur Main Branch,
Opp. Chembur Railway Station
70 A, MDS Marg, Chembur
Mumbai-400 071

YES Bank Limited

Nehru Centre, 12th Floor
Discovery of India
Dr. A. B. Road, Worli
Mumbai-400 018

BRANCH NETWORK

Ahmedabad, Gujarat
Bangalore, Karnataka
Bellary, Karnataka
Bhubaneswar, Orissa
Coimbatore, Tamil Nadu
Ghaziabad, Uttar Pradesh
Guwahati, Assam
Hissar, Haryana
Hyderabad, Andhra Pradesh
Indore, Madhya Pradesh
Jaipur, Rajasthan
Jalandhar, Punjab

Jodhpur, Rajasthan
Kolkata, West Bengal
Lucknow, Uttar Pradesh
Nagpur, Maharashtra
Nashik, Maharashtra
Nipani, Karnataka
Patna, Bihar
Raipur, Chhatisgarh
Ranchi, Jharkhand,
Rudrapur, Uttaranchal
Solapur, Maharashtra
Sriganganagar, Rajasthan

MANUFACTURING LOCATIONS

Mumbai
Bangalore
Hyderabad
Kolkata

Sanand
Lucknow
Sharjah, 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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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Fortieth Annual General Meeting of the Members of ARIES AGRO LIMITED will be held on Friday, the 17th September, 2010 at 10.00 a.m. at The Acres Club, Hemu Kalani Marg, Chembur, Mumbai-400 071, to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March, 2010 and Profit and Loss Account for the year ended as on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend for the Financial Year ended 31.03.2010.
3. To appoint a Director in place of Dr. Rahul Mirchandani who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Dr. D. S. Jadhav who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint M/s. Kirti D. Shah & Associates, Chartered Accountants, Mumbai, (Membership No. 32371) as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration upon the recommendation of the Audit Committee.

SPECIAL BUSINESS

6. *Appointment of Mr. Chakradhar Bharat Chhaya as a Director of the Company*

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

"RESOLVED THAT Mr. Chakradhar Bharat Chhaya, who was appointed by the Board of Directors as an Additional Director with effect from 29th October, 2009 under Section 260 of the Companies Act, 1956 and Article 146 of the Articles of Association of the Company and who holds Office upto the date of this Annual General Meeting but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under the provisions of Section 257 of the Companies Act, 1956 proposing his candidature for the office of a Director be and is hereby appointed as a Director of the Company whose

office shall be liable to retirement by rotation."

7. *Amendment in the Memorandum of Association of the Company by adding a new clause for Borrowings.*

To consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT following new Clause # 61 be added after existing Clause # 60 of Other Objects Clause (C) of Main Clause III of the Memorandum of Association.

Clause: 61: Subject to section 58A and section 292 of the Companies Act, 1956, to receive, borrow or raise money in any form and on such terms and conditions as the Company may consider expedient and secure and discharge any debt or obligation binding on the Company in such manner as may be thought fit, and in particular by mortgages of the undertaking and all or any of the immovable and movable property (present or future) and the uncalled capital of the Company, or by the creation and issue, on such terms as may be thought expedient, of shares, bonds, stock, debentures or debenture-stock, perpetual, convertible or otherwise, or other securities of any description."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such act, deeds, matters and things as may be considered necessary, desirable or expedient including accepting any modification as suggested by the Office of the Registrar of Companies, Maharashtra, Mumbai to the above said Object Clause, for giving effect to this resolution."

By Order of the Board

Place: Mumbai

Qaiser P. Ansari

Date: 21st July, 2010

Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 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.
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.

4. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business is annexed hereto.
5. 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.
6. 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.
7. 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.
8. The Register of Members and Share Transfer Books of the Company will be closed from Saturday, the 11th September, 2010 to Friday, the 17th September, 2010 (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 or after 25th September, 2010 to those members whose names appear on the Register of Members on 17th September, 2010 after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 10th August, 2010. 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 10th September, 2010 as per details furnished by the depositories for this purpose.
9. 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.
10. Beneficial Owners holding shares in Electronic/ Demat form are requested to notify any change in their Address, Bank Account, Mandate, etc. to their respective Depository Participant. ECS Mandates has to be sent to the concerned Depository Participant directly.
11. 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.
12. 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.
13. **Members are requested to bring their copy of the Annual Report to the Annual General Meeting.**
14. Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting are given below:

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Particulars required	Information
Name of the Director	Dr. Rahul Mirchandani
Date of Birth	12th August, 1975
Date of Appointment	2nd 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 and Shareholders' / Investors' Grievance Committee.
Directorship in other Companies	Sreeni Agro Chemicals Pvt. 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

Name of the Director	Dr. D. S. Jadhav
Date of Birth	1st October, 1927
Date of Appointment	3rd March, 1995
Expertise in specific functional areas	Independent Director
Qualifications	B.Sc.(Vet) Hons, M.S., Ph.D.
Chairman/Member of the Committees of the Board of Directors of the Company.	Member of Audit Committee Chairman of Remuneration Committee
Directorship in other Companies	NIL
Membership of Audit Committee of other Public Limited Companies	NIL
Membership of any other Committee of other Public Limited Companies.	NIL

Particulars required	Information
Name of the Director	Mr. Chakradhar Bharat Chhaya
Date of Birth	9th November, 1943
Date of Appointment	29th October, 2009
Expertise in specific functional areas	Independent Director
Qualifications	B.Com., ICWA, CAIIB.
Chairman/Member of the Committees of the Board of Directors of the Company.	Member of Remuneration Committee. Member of the Treasury Committee.
Directorship in other Companies	1. Credila Financial Services Private Limited 2. Texmo Pipes & Products Limited 3. Calyx Chemicals & Pharmaceuticals Limited 4. Yalamanchili Software Exports Limited
Membership of Audit Committee of other Public Limited Companies	1. Texmo Pipes & Products Limited –Member of Audit Committee 2.Calyx Chemicals & Pharmaceuticals Limited-Chairman Audit Committee 3.Yalamanchili Software Exports Limited- Chairman Audit Committee
Membership of any other Committee of other Public Limited Companies.	1. Texmo Pipes & Products Limited – Member of Remuneration and Compensation Committee and the Chairman of Shareholders'/ Investors' Grievance Committee 2.Calyx Chemicals & Pharmaceuticals Limited-Member of Remuneration Committee

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

AARTHI CONSULTANTS PRIVATE LIMITED

1-2-285, Domalguda,
Hyderabad – 500 029,
Andhra Pradesh, India

Tel : +91-40-27634445 / 27642217,

Fax : +91-40-27632184

E-mail : aries@aarthiconsultants.com

Website : www.aarthiconsultants.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item No. 6

At the meeting of the Board of Directors held on 29th October, 2009, Mr. Chakradhar Bharat Chhaya was appointed as an Additional Director with effect from 29th October, 2009, to hold office till the date of the next Annual General Meeting of the Company. Mr. Chakradhar Bharat Chhaya was appointed as an Independent Director. The Company has received a notice in writing from a Member under the provisions of Section 257 of the Companies Act, 1956, together with the requisite deposit, proposing his candidature for the office of a Director

Brief profile of Mr. Chakradhar Bharat Chhaya in terms of Clause 49 of the Listing Agreement is given in the annexure to the Notice.

Mr. Chakradhar Bharat Chhaya is a B.Com from University of Mumbai. He is a Fellow of Institute of Cost and Works Accountants of India. He is also a CAIIB (Certified Associate of Indian Institute of Bankers). He has more than 45 years of experience in the field of banking and finance. He began his career in the year 1964 with Bank of Baroda. He worked at various positions before retiring as Managing Director of BOBCARDS Limited. He is a Director in an NBFC viz Credila Financial Services Private Limited and Independent Director of Texmo Pipes & Products Limited. He is also Additional Director in Calyx Chemicals & Pharmaceuticals Limited and Yallamanchili Software Exports Limited.

Mr. Chakradhar Bharat Chhaya does not hold any Shares of the Company.

The Board of Directors are confident that he will be of great value to the Company and hence recommend the resolution for your approval as set out under item No. 6 of the Notice.

None of the Directors except Mr. Chakradhar B. Chhaya is concerned or interested in the said resolution.

Item No. 7

The Company has been borrowing money from time to time from Banks or otherwise for the Working Capital and for on going expansion or modernization programmes. The Banks at some instances have raised a query that the Memorandum of Association of the Company does not contain explicitly a borrowing clause in its Objects. Therefore, in order to meet with the requirements of the Bankers it is proposed to amend the Other Objects Clause of Memorandum of Association of the Company by adding a new Clause empowering the Board of Directors for borrowing.

Section 17 of the Companies Act, 1956 provides that an amendment in the Objects Clause of Memorandum of Association is required to be approved by passing a Special Resolution.

Your Directors therefore, recommend passing of the Special Resolution as set out under Item No. 7 of the Notice of the meeting.

None of the Directors of the Company is concerned or interested in passing of the resolution.

A copy of the Memorandum of Association of the Company, with the proposed amendment, will be available for inspection at the Registered Office of the Company on all working days of the Company between 10.00 a.m. and 12.00 noon, except Saturdays, Sundays and other Public Holidays.

By Order of the Board

Place: Mumbai

Qaiser P. Ansari

Date: 21st July, 2010

Company Secretary

DIRECTORS' REPORT

To

The Members,

Aries Agro Limited

Your Directors have pleasure in presenting their 40th Annual Report on the operations of the Company together with the Audited Statements of Accounts for the Financial Year ended 31st March, 2010.

FINANCIAL RESULTS

(Rs. In Lakhs)

PARTICULARS	AS AT 31.03.2010	AS AT 31.03.2009
Turnover	13,974.61	11,044.42
Profit Before Tax Interest & Depreciation	2,921.57	1,182.07
Less: Interest	867.62	581.31
Depreciation	159.83	97.03
Profit Before Tax	1,894.12	503.73
Provision for Taxation	535.00	113.00
Deferred Tax	103.09	79.96
Profit After Tax	1,256.03	310.77
Balance Brought Forward	2,556.10	2,428.14
Prior Period Expense	132.12	–
Exceptional Items	9.82	182.81
Amount available for appropriation	3,670.19	2,556.10
General Reserve	150.00	–
Proposed (Final) Dividend	195.06	–
Tax on Proposed Dividend	32.40	–
Surplus Carried Forward to Balance Sheet	3,292.73	2,556.10

OPERATIONS

During the year under review, the earnings before Interest, Depreciation and Tax was Rs. 2,921.57 Lakhs compared to Rs 1,182.07 Lakhs in the previous year. As at March'2010, the Gross Fixed Asset is Rs. 4,060.74 Lakhs compared to Rs. 3,576.55 Lakhs in the previous year. The Turn Over for the year was Rs. 13,974.61 Lakhs as against Rs. 11,044.42 Lakhs in the previous year reflecting a growth of 27 %. Profit after tax for the year was Rs. 1,256.03 compared to Rs. 310.77 Lakhs in the previous year.

The Company is a major manufacturer and supplier of Chelated micronutrients, value added secondary nutrient fertilizers and also water soluble NPK fertilizers. In addition, we also have a growing range of farm sprayers and plant protection chemicals, including pesticides, insecticides, fungicides and herbicides in our product portfolio. In total, Aries has 76 brands. For detailed discussion please refer to the Management Discussion Analysis forming part of this report.

DIVIDEND

After considering the performance of your Company and need for conservation of resources, your Directors are pleased to recommend a dividend of 15 % being Rs. 1.50/- 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. 2,27,46,299/- lakhs including dividend tax.

FUTURE PROSPECTS

The Company is ready to launch an additional 6 new products, in phases during 2010-11. This will include further specialty plant nutrients, farm equipment and plant protection products, adding on to our already extensive range of 76 brands. We believe that adding throughput through our distribution network will increase our share of the farmer's wallet and provide a comprehensive range of nutrition solutions to choose from. For detailed discussion please refer to the Management Discussion Analysis forming part of this report.

The Unit namely M/s. Amarak Chemicals FZC, set up by M/s. Golden Harvest Middle East FZC, will commence production of Sulphur Bentonite in Fujairah by end July 2010. We believe that about half of the total capacity of 60,000 MT will be utilized in the first year itself, with sales taking place through Aries's own distribution network in India and also through new buyers in the Middle East and SAARC Region.

Our other overseas subsidiary, Golden Harvest Middle East FZC, is now in its third year of manufacturing operations of Chelated micronutrients. It has added during the year 2009-10, an additional product to its portfolio, viz., 20% soluble Boron. Golden Harvest is already working at full capacity utilization and has significantly increased its sales to Aries in India, as well as to customers in Bangladesh, Nepal, the Middle East and Africa. The acceptance of Golden Harvest Chelates and Boron based products as cost effective and world class gives us the confidence that the future of our International foray with specialty nutrients is very bright and exciting.

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The Company has also appointed distributors and commenced negotiations for increasing global business in key markets. We firmly believe that, these export markets, as well as servicing of our institutional clients in India, will open up new opportunities for the Company.

USE OF IPO PROCEEDS

Your Company had come out with its maiden IPO in January 2008 for the purposes as stated in the Prospectus dated 26th December, 2007 and as amended by the members at their Annual General Meeting held on 29th September, 2009. Accordingly the Company has utilized the IPO funds for the purposes for which it was raised.

DEPOSITS

The Company has not accepted any deposits from the Public within the meaning of Section 58A of the Companies Act, 1956.

SUBSIDIARIES

The Company has four subsidiaries, Aries Agro Care Private Limited, Aries Agro Equipments Private Limited, Aries Agro Produce Private Limited and Golden Harvest Middle East, FZC.

The operations of Aries Agro Care Pvt. Ltd. commenced in the Financial Year 2008-09 and during the Financial Year 2009-10 the Company has ended with a total revenue of Rs. 80.05 Lakhs which has resulted in Rs. 4.67 Lakhs as profit after tax.

The business operations of Aries Agro Equipments Pvt. Ltd. commenced in the year ended 31st March, 2010 in agricultural sprayers generating a Sale of Rs. 139.90 Lakhs with profit after tax of Rs. 13.06 Lakhs.

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

No business activity took place in other Subsidiary namely Aries Agro Produce Pvt. Ltd.

As regards the overseas subsidiary M/S. Golden Harvest Middle East FZC with an installed capacity of 10,800 MT p.a., in their second full year of operation, has generated a total sale of AED 2,00,66,528/- with a profit of AED 35,12,532/-.

M/s. Amarak Chemicals FZC, is in the process of allotting shares to M/S. Golden Harvest Middle East FZC. On completion of allotment M/s. Amarak Chemicals FZC will become a Subsidiary of M/S. Golden Harvest Middle East FZC, consequently M/s. Amarak Chemicals FZC will become a step down Subsidiary of Aries Agro Limited.

As required under Section 212 of The Companies Act, 1956, annexed hereto are the Audited Statement of accounts, the

Reports of the Board of Directors and Auditors' Reports for the year ended 31st March, 2010 of Aries Agro Care Private Limited, Aries Agro Equipments Private Limited, Aries Agro Produce Private Limited and Golden Harvest Middle East FZC.

A Statement of Subsidiary Companies as prescribed under Section 212 of the Companies Act, 1956, is annexed and is forming part of the Annual Report.

Apart from the above statement a list of Subsidiary Companies is given in Note No. 10- A of the Notes to Accounts forming part of the Annual Report.

All the above subsidiary Companies are non-material, non-listed Companies as defined under Clause 49 of the Listing Agreement with the Stock Exchanges.

INSURANCE

All properties and assets of your Company are adequately insured covering all conceivable risks attributable to the Industry.

DIRECTORS

In accordance with the Companies Act, 1956 and the Articles of Association of the Company, Dr. Rahul Mirchandani and Dr. D. S. Jadhav retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Accordingly their re-appointment forms part of the notice of ensuing Annual General Meeting.

Mr. Chakradhar Bharat Chhaya was appointed as an Additional Director on the Board of Directors of the Company with effect from 29th October, 2009 as an Independent Director. He ceases to be a Director on the date of the 40th Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 has been received in respect of his appointment as Director on the Board and accordingly his appointment is proposed as a Director at the ensuing Annual General Meeting.

DIRECTORS' REPLY TO OBSERVATIONS / REMARKS MADE IN AUDITORS' REPORT (Para III(d) of the Auditors' Report)

The Auditors have in their Audit Report commented that the Company has not provided for Leave Encashment as per Accounting Standard 15. The Leave Encashment pertains only to Managerial Staff and is accounted on cash basis. It has been decided that provisions for Leave Encashment will be made during this year .

APPOINTMENT OF AUDITORS

M/s. Kirti D. Shah & Associates (Membership No. 32371), the Auditors of the Company retire at the ensuing Annual General Meeting and being eligible and holding Peer Review

Certificate issued by the Institute of Chartered Accountants of India, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENTS

Pursuant to the requirements of Section 217 (2AA) of the Companies Act, 1956 with respect to the Directors' responsibility statement, it is hereby confirmed that:

1. In preparation of the Annual Accounts, applicable Accounting Standards have been followed and that there are no material departures
2. The Directors 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 period;

3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. Annual Accounts have been prepared on a 'going concern' basis.

PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 ("Act") read with the Companies (Particulars of Employees) Rules, 1975, as amended, are as under:

PARTICULARS OF EMPLOYEES IN TERMS OF SECTION 217(2-A) OF THE COMPANIES ACT, 1956 DRAWING REMUNERATION NOT LESS THAN RS. 24 LAKHS P.A./RS. TWO LAKHS P.M. DURING THE YEAR 2009-10

SR. No.	NAME	DESIGNATION	REMUNERATION RECEIVED	NATURE OF EMPLOYMENT	OTHER TERMS & CONDITIONS	NATURE OF DUTY	QUALIFICATION & EXPERIENCE	DATE OF APPOINTMENT	AGE	Last Employment held	% of Equity Shares held as on 31.03.2010
1	DR. JIMMY MIRCHANDANI	CHAIRMAN AND MANAGING DIRECTOR	70,17,663	CONTRACTUAL	N.A.	MANAGING THE AFFAIRS OF THE COMPANY	B. Sc. (Vet); LLB	15.01.1976	54	N.A.	14.05
2	DR. RAHUL MIRCHANDANI	EXECUTIVE DIRECTOR	63,50,032	CONTRACTUAL	N.A.	MANAGING THE AFFAIRS OF THE COMPANY	B. Com: CFA; MBA; Ph.D	02.02.1994	34	N. A.	5.10
3	MR. P. K. JAISWAL	CHIEF MARKETING CONTROLLER	25,09,014	CONFIRMED EMPLOYEE	N.A.	MARKETING HEAD FOR CENTRAL AND WESTERN REGION	B. Sc.	25.01.1982	52	N.A.	0.02

LISTING

The Equity Shares of the Company are listed at Bombay Stock Exchange 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, 2011 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. The Auditors' certificate on compliance with the conditions of Corporate Governance under clause 49 of the Listing Agreement 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 under Section 217(1) (e) of the Companies Act, 1956 read with the Companies {Disclosure of Particulars in the Report of the Board of Directors} Rules, 1988 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.
- b. Additional investments and proposals, if any, being implemented for reduction of consumption of energy;
 - i. installation of energy efficient lights in the office and factory
 - ii. installation of LED lights.
- c. Impact of measures of (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:
 - i. Due to measures taken as described above, the overall power and fuel oil consumption at plants and office has reduced and reduction in the cost of production is achieved.
- d. 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 2009-2010	Previous Year 2008-2009
(a) Purchased: -		
(i) Unit (KWH)	7,33,592	9,41,514
(ii) Total Amount (Rs.)	50,42,998	56,35,214
(iii) Rate/Unit (Rs.)	6.87	5.99

(b) Own Generation: -		
(i) Coal	Not Applicable	Not Applicable
(ii) Furnace Oil - Kl	7,145	8,436
(iii) Internal Generation – Units	23,864	28,176

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 Bombay is ISO 9001 certified and works on new product development and continuous quality checks. The new manufacturing unit at Hyderabad has been equipped with a state of art laboratory to keep pace with the Company's expansion in that region.
 - Our ISO 9001 certification has now been upgraded from the ISO 9001:1998 standard to the latest ISO 9001:2008 standards.
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 :

- Evaluation of potential Customized Crop Specific combinations for enhancement of nutrients.
- Design of secondary packaging automation for chelamin and other brands.

4. Expenditure on R & D

Description	For the year ended 31 st March, 2010 (Rupees)	For the year ended 31 st March, 2009 (Rupees)
(I) Capital	2,84,540	11,41,736
(II) Recurring	24,44,030	19,09,921
(III) TOTAL	27,28,570	30,51,657
(IV) Total R & D expenditure as a % of		
a. Gross Turnover	0.20	0.28
b. Net Turnover	0.20	0.28

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 Company has not imported any technology during the year under review.

C. Foreign Exchange Earnings and Outgo

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

The Company has also appointed distributors and commenced negotiations

for increasing global business in key markets.. We firmly believe that, these export markets, as well as servicing of our institutional clients in India, will open up new opportunities for the Company.

2. Total Foreign Exchange used and earned:

Used : Rs. 30,18,13,507/-

Earned : Rs. 4,14,95,891/-

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.

GENERAL

Notes forming part of the Accounts are self-explanatory. As required under the VAT Acts of various States, Company has appointed a VAT Auditor to conduct the VAT Audit. The Company's Building, Machineries, Stores and Stocks in Trade etc. are fully covered against all insurance risks.

GROUP

The List of persons constituting "Group" (within the meaning as defined in the Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of availing exemption from applicability of the provisions of Regulations 10 to 12 of the Securities Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations 1997 as provided in Clause 3(1)(i) of the said Regulations is given in the Report on the Corporate Governance.

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 of Directors

Dr. Jimmy Mirchandani

Place: Mumbai
Date: 21st July, 2010

Chairman &
Managing Director

REPORT ON CORPORATE GOVERNANCE**CORPORATE GOVERNANCE PHILOSOPHY**

The Company is fully committed to the principles of good Corporate Governance. In keeping with this commitment your Company has been observing the highest level of ethics in all its dealings. It ensures efficient conduct of affairs of the Company to achieve its goal of maximizing value for all its stakeholders. In compliance with the disclosure requirements of Clause 49 of the Listing Agreement executed with the Stock Exchanges, the details are set out below:-

1. 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. Three(3) are Independent Directors. The Independent Directors are eminent professionals, with experience in Nutrition, Management and Strategy, Banking 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	Mr. Akshay Mirchandani
Independent- Non-Executive Directors	Dr. D. S. Jadhav
	Prof. R.S.S. Mani
	Mr. Chakradhar Bharat Chhaya(Additional Director) * w.e.f. 29.10.2009
	Dr. S. R. Ganesh** upto 31.07.2009

- *appointed w.e.f. 29th October, 2009.
- ** Resigned w.e.f. 31st July, 2009.

(B) Attendance and Other Directorships

Attendance of Directors at Board Meetings, last Annual General Meeting and number of other Directorships and Chairmanships/Memberships of Committees of each Director in various Companies as on 31st March, 2010 is as follows:-

Name of the Director & Designation and category	Attendance of Meetings during 2009-10		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	Last AGM held on 29th September, 2009			
Dr. Jimmy Mirchandani Chairman & Managing Director (Promoter)	4 (4)	Yes	1	NIL	N.A.
Dr. Rahul Mirchandani Executive Director (Promoter)	3 (4)	Yes	2	NIL	Brother of CMD
Dr. D. S. Jadhav Director, Non Executive (Independent)	4(4)	Yes	NIL	NIL	N.A.
Prof. R. S. S. Mani Director, Non Executive (Independent)	4(4)	Yes	NIL	NIL	N.A.
Mr. Akshay Mirchandani Director, Non-Executive (Promoter)	2(4)	Yes	NIL	NIL	Son of CMD
Mr. Chakradhar Bharat Chhaya Additional Director, Non Executive (Independent) w.e.f. 29.10.2009	2(4)	N.A.	3	6 (including 3 as Chairman)	N.A.
Dr. S. R. Ganesh Director, Non Executive (Independent) upto 31.07.2009	1(2)	NA	1	1	N.A.

None of the Directors on the Board holds the office of Director in more than 15 Companies or Membership of Committees of the Board in more than 10 Committees or Chairmanship of more than 5 Committees across all Companies.

(C) Board Meetings

The Agenda 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 Annexure 1A to Clause 49 of the Listing Agreement has been placed before the Board for its consideration.

Four Board Meetings were held during the year, on 26.06.2009, 31.07.2009, 29.10.2009 and 28.01.2010.

(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 Clause 49 of the Listing Agreement. All the members of the Board and the Management Committee have affirmed compliance to the Code of Conduct as on 31-03-2010, and a declaration to that effect signed by the Chairman & Managing Director is attached and forms a part of this Report.

BOARD COMMITTEES

2. AUDIT COMMITTEE

i) Brief description of terms of reference

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of Audit Fee.
- c. Approval of payment of Statutory Auditors for any other services rendered by the Statutory Auditors.
- d. Reviewing with the Management, the Annual Financial Statements before submission to the Board for approval, with particular reference to:
 - i) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Clause (2AA) of section 217 of the Companies Act, 1956;
 - ii) Any Changes in Accounting Policies and Practices; reasons for the same;
 - iii) Major accounting entries involving estimates based on the exercise of judgment by Management;
 - iv) Significant adjustments made in the Financial Statements arising out of Audit findings;
 - v) Compliance with Accounting Standards;
 - vi) Compliance with Stock Exchanges and legal requirements concerning Financial Statements;
 - vii) Any Related Party transactions i.e transactions of the Company of material nature, with Promoters or the Management, their Subsidiaries or Relatives etc. that may have potential conflict with the interests of the Company at large.
- e. Reviewing with the Management, Statutory and Internal Auditors the adequacy of the Internal Control Systems
- f. Reviewing the adequacy of Internal Audit function, including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit.
- g. Discussion with Internal Auditors any significant findings and follow up thereon.
- h. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board.
- i. Discussion with Statutory Auditors before the Audit Commences, about the nature and scope of Audit as well as post-audit discussion to ascertain any area of concern.
- j. Reviewing the Company's Financial and Risk Management Policies;
- k. To look into the reasons for substantial defaults in the payment to the Depositors, Debenture Holders, Shareholders (in case of non payment of declared dividends) and creditors.
- l. To approve appointment of Chief Financial Officer before finalization of the same by the Management

The terms of reference of the Audit Committee are in accordance with Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. 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. D. S. Jadhav : Member (Independent Director)

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

The Chairman of the Audit Committee remains present at the Annual General Meeting. The previous Annual General Meeting of the Company was held on 29th September, 2009 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 14.05.2009, 26.06.2009, 31.07.2009, 29.10.2009 and 28.01.2010.

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

Name of the Director	No. of meetings attended
Prof R. S. S. Mani	5
Dr. D. S. Jadhav	5
Dr. Rahul Mirchandani	4

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

3. REMUNERATION COMMITTEE

(i) Brief description of Terms of Reference

To determine the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment.

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

Remuneration Committee consists of Dr. D. S. Jadhav, Prof. R. S. S. Mani and Mr. Chakradhar Bharat Chhaya(w.e.f. 29.10.2009)(Dr. S. R. Ganesh upto 31.07.2009) all Independent Directors, as members. Dr. D. S. Jadhav is the Chairman of the Committee. Committee met once on 31.07.2009.

(iv) 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 Remuneration Committee and the Shareholders.

(v) Details of Remuneration paid to the Directors for the year ended 31st March 2010.

i) Managing Director and Executive Director.

The Agreements with the Chairman & Managing Director and Executive Director are for a period of three Years commencing from 01.10.2009.

The total remuneration paid to the Managing Director and Executive Director during the year 2009-10 was as under:

(Amount in Rupees)

Name	Salary	Commission	Contribution to Provident Fund/ Gratuity	Total
Dr. Jimmy Mirchandani Chairman & Managing Director.	39,50,917	27,50,000	3,16,746	70,17,663
Dr. Rahul Mirchandani Executive Director	33,08,978	27,50,000	2,91,054	63,50,032

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Notes:

- a) The Agreements with the Managing Director, and Executive Director are for a period of three years upto 30th September, 2012. 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.
 - 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 sections 198 & 309 of the Companies Act, 1956.
- 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 2009-10, the Company has paid total Sitting Fee of Rs. 2,02,500/- to Non Executive Directors as under:
- | | |
|--------------------------------------|---------------|
| Dr. D. S. Jadhav | Rs. 70,000.00 |
| Prof. R. S. S. Mani | Rs. 72,500.00 |
| Mr. Akshay Mirchandani | Rs. 20,000.00 |
| Mr. C. B. Chhaya (w.e.f. 29.10.2009) | Rs. 30,000.00 |
| Dr. S. R. Ganesh(upto 31.07.2009) | Rs. 10,000.00 |

4. SHAREHOLDERS / INVESTORS GRIEVANCES COMMITTEE

(i) Composition of the Committee

The Shareholders/ Investors Grievance Committee has been constituted to specifically look into redressing the Shareholders and Investors' Complaints.

The Committee consists of the following members:

Prof. R. S. S. Mani	:	Chairman
Dr. Jimmy Mirchandani	:	Member
Dr. Rahul Mirchandani	:	Member

(ii) Name & Designation of Compliance Officer:

Mr. Kaiser Parvez Ansari, Company Secretary or in his absence Mr. S. Ramamurthy, Chief Financial Officer is designated as Compliance Officer of the Company.

(iii) to (v) A statement of various Complaints received and cleared by the Company during the year ended on 31st March, 2010 is given below:

	Nature of Complaint	No. of Complaints	Redressed	Pending
1.	Non- receipt of Refund Orders	8	8	Nil
	TOTAL	8	8	Nil

As per revised Clause 47(F) of the Listing Agreement 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.

5. TREASURY COMMITTEE

Composition of the Committee

The Treasury Committee was constituted by the Board of Directors of the Company in their meeting held on 28th January, 2010 to look into financial needs 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

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, 2007	07-09-2007	4.00 p.m.	Aries House, Plot No.24, Deonar, Govandi (E), Mumbai -400043	None
31 st March, 2008	28-08-2008	10.00 a.m.	The Acres Club, Hemu Kalani Marg, Chembur, Mumbai-400 071	Keeping of the Register of Members, Index of Members and Copies of all Annual Returns prepared under Section 159 together with Copies of the Certificates and Documents required to be annexed thereto under Section 161 of the Companies Act, 1956 or any one or more of them(the documents) at a place other than the Registered Office of the Company.
31 st March, 2009	29-09-2009	10.00 a.m.	The Acres Club, Hemu Kalani Marg, Chembur, Mumbai-400 071	Re-appointment and fixation of remuneration of Dr. Jimmy Mirchandani, Chairman & Managing Director and Dr. Rahul Mirchandani, Executive Director for a period of 3 years w.e.f. 01.10.2009. Amendment in the terms of the deployment of the IPO Funds referred to in the Prospectus dated 26 th December, 2007.

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

7. DISCLOSURES

- (i) During the year under review, besides the transactions reported elsewhere in 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.

All the transactions with Related Parties are periodically placed before 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 Schedule 19, Note No. 10 to the Accounts in the Annual Report and they are not in conflict with the interest of the Company at large.

- (ii) 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) The Company has not adopted any Whistle Blower Policy. However, no personnel has been denied access to the Senior Management.
- (iv) 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 revised Clause 49 of the Listing Agreement. The status of compliance in respect of non-mandatory requirements of Clause 49 of Listing Agreement is as follows:
 - (a) **Maintenance of the Chairman's Office:** The Company has an Executive Chairman and the office provided to him for performing his executives 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.
 - (b) **Tenure of Independent Directors:** No specific tenure has been specified for the Independent Directors.
 - (c) **Remuneration Committee:** The Company has set up a Remuneration Committee consisting of three Non Executive Independent Directors.
 - (d) **Shareholders' rights:** Un-Audited Quarterly Financial Results are posted on the website of the Company.
 - (e) **Audit Qualification:** The Auditors remarks if any are explained in the Directors Report and necessary actions are also taken by the Company when required. The Company shall endeavor to have unqualified Financial Statements.
 - (f) **Training of Board of Directors:** The Directors of the Company are persons from Business and Profession with experience in Corporate Sector. They are being kept posted with various Statutory and Regulatory changes which are applicable to the Company.
 - (g) **Mechanism for evaluating Non-Executive Board Members:** Non Executive Members of the Board are highly qualified and there is no need for evaluation.
 - (h) **Whistle Blower Policy:** The Company has so far not framed a formal whistle blower policy. However, the employees of the Company have free access to the Board of Directors, Audit Committee and Senior Management personnel to report their concerns about unethical behaviour, fraud or violation of statutory requirements, with assurance from the Management to protect the employees from victimization in case they report any such unethical or fraudulent behaviour.
 - (i) **Board disclosures-Risk Management:** The Board is kept informed about the Risk Management being followed by the Company from time to time. All the risks such as fire, marine, burglary, earthquake etc. have been adequately insured.
 - (j) **CMD/CFO Certification:**

Chairman & Managing Director/Chief Executive Officer and Chief Financial Officer have issued necessary certificate pursuant to the provisions of clause 49 of the Listing Agreement and the same is annexed and forms part of the Annual Report.
 - (k) **Declaration regarding Code of Conduct:**

Declaration by the Chairman and Managing Director confirming compliance with the Code of Conduct as adopted by the Company is annexed and forms part of the Annual Report.

8. SHAREHOLDING OF THE NON-EXECUTIVE DIRECTORS

The Company's Articles of Association do not require its Directors to hold any Qualification Shares. The details of the shareholding of its Non Executive Directors are given below:

Name of the Non Executive Directors	Number of Equity Share (Pre-Issue)
Dr. D. S. Jadhav	1,050
Prof. R. S. S. Mani	NIL
Mr. Akshay Mirchandani	3,61,875
Mr. C. B. Chhaya (w.e.f. 29.10.2009)	NIL
Dr. S. R. Ganesh (upto 31.07.2009)	NIL

9. MEANS OF COMMUNICATION

Website : The Company's website www.ariesagro.com where relevant information is available. Full Annual Report is also available on the website in a user-friendly and downloadable form.

Annual Report : Annual Report containing inter alia Directors' Report, Auditor's Report, Audited Annual Accounts and other important information is circulated to Members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report.

10. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In line with the requirements of Clause 49 of the Listing Agreement, the Management Discussion and Analysis Report is also provided elsewhere in this Annual Report.

11. A. Disclosure on materially significant Related Party transactions i.e. transactions of the Company of material nature, with its Promoters, the Directors or the Management, their relatives, or Subsidiaries, etc. that may have potential conflict with the interests of the Company at large

Attention of Members is drawn to the disclosures of transactions with the Related Parties set out in Note No. 10-B in the Notes to Accounts forming part of the Annual Report.

All Related Party transactions are negotiated on arms length basis and are only intended to further the interests of the Company.

None of the transactions with any of the Related Parties were in conflict with the interest of the Company.

B. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI, or any other Statutory Authority, on any matter related to Capital Markets.

There has been no instance of Non-Compliance by the Company on any matter related to Capital Markets since it got listed on 11th January, 2008 and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority.

12. General Shareholders Information

(i) Annual General Meeting

The 40th Annual General Meeting of the Shareholders will be held on Friday, 17th September, 2010 at 10.00 a.m.

Venue: The Acres Club, Hemu Kalani Marg, Chembur, Mumbai – 400 071.

(ii) Financial Calendar:-

For the year ending 31st March, 2011 the Financial Results will be announced on:

First Quarter : On or before 14th August, 2010

Half year : On or before 14th November, 2010

Third Quarter : On or before 14th February, 2011

Yearly : On or before 30th May, 2011

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- (iii) **Date of Book Closure:** - 11th September, 2010 to 17th September, 2010 (both days inclusive)
- (iv) **Dividend Payment Date:** On or after 25th September, 2010.
- (v) **Listing:** The Equity Shares of the Company are listed on Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd.
- (vi) ISIN NO. : INE298I01015
Scrip Code : BSE - 532935
NSE - ARIES
- (vii) **Listing Fee:** The Listing Fee for the financial year 2010-2011 has been paid to the above Stock Exchanges.
- (viii) **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, 2010

Month	Highest		Lowest	
	Rate (Rs.)	Date	Rate (Rs.)	Date
April, 2009	44.35	13.04.2009	26.15	08.04.2009
May, 2009	59.00	27.05.2009	33.50	15.05.2009
June, 2009	62.90	05.06.2009	42.00	23.06.2009
July, 2009	58.50	01.07.2009	39.05	13.07.2009
August, 2009	81.45	27.08.2009	44.00	12.08.2009
September, 2009	74.70	01.09.2009	52.90	16.09.2009
October, 2009	63.95	07.10.2009	48.00	30.10.2009
November, 2009	65.20	30.11.2009	47.60	06.11.2009
December, 2009	83.30	31.12.2009	63.00	04.12.2009
January, 2010	103.15	21.01.2010	78.20	04.01.2010
February, 2010	93.50	15.02.2010	79.65	05.02.2010
March, 2010	119.70	22.03.2010	86.15	04.03.2010

Monthly Share Price Data of the Company's shares on NSE for the year ended 31st March, 2010

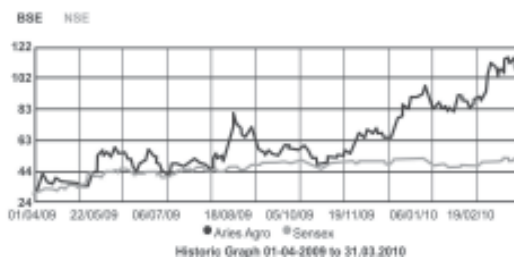
Month	Highest		Lowest	
	Rate (Rs.)	Date	Rate (Rs.)	Date
April, 2009	44.45	13.04.2009	25.00	06.04.2009
May, 2009	60.90	27.05.2009	33.60	15.05.2009
June, 2009	65.30	08.06.2009	43.80	19.06.2009
July, 2009	58.85	01.07.2009	38.30	13.07.2009
August, 2009	81.15	27.08.2009	42.50	10.08.2009

Month	Highest		Lowest	
	Rate (Rs.)	Date	Rate (Rs.)	Date
September, 2009	75.00	01.09.2009	53.00	22.09.2009 & 25.09.2009
October, 2009	62.90	07.10.2009	48.25	30.10.2009
November, 2009	65.45	30.11.2009	47.00	04.11.2009
December, 2009	82.00	31.12.2009	62.55	21.12.2009
January, 2010	98.50	21.01.2010	75.10	04.01.2010
February, 2010	94.05	15.02.2010	79.20	05.02.2010
March, 2010	123.00	22.03.2010	87.50	03.03.2010 & 04.03.2010

(ix) Performance in comparison to BSE & NSE Sensex

BSE

Historic Graphs



NSE

Historic Graphs



(x) 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@arthiconsultants.com

(xi) Share Transfer System

Aarthi Consultants Private Limited processes transfer of shares held in Physical form and sends to the Company. 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 30 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.

40th Annual Report 2009-2010**(xii) (1) Distribution of Share Holding as on 31st March 2010**

Shareholding of Nominal Value		Shareholders			Share Amount	
From	To	Number	No of Shares	% of Total	Rupees	% of Total
1	5000	8694	869438	88.03	8694380	6.69
5001	10000	626	467149	6.34	4671490	3.59
10001	20000	242	364351	2.45	3643510	2.80
20001	30000	67	169737	0.68	1697370	1.31
30001	40000	39	141000	0.39	1410000	1.08
40001	50000	50	236795	0.51	2367950	1.82
50001	100000	69	528859	0.70	5288590	4.07
100001	And above	89	10227010	0.90	102270100	78.64
TOTAL		9876	13004339	100.00	130043390	100.00

(2) Distribution of shareholding according to categories of shareholders as on 31st March, 2010

Categories	No. of Shares	Amt. in Rs.	% to Total
Promoters	6844926	68449260	52.64
Directors (Independent)	1050	10500	0.01
Financial Institutions/ Banks	--	--	--
Mutual Funds / UTI	828821	8288210	6.37
NRIs / OCBs/FIIs	106296	1062960	0.82
Other Bodies Corporate	1427861	14278610	10.98
Public	3795385	37953850	29.18
Total	13004339	130043390	100.00

For the purpose of SEBI (Substantial Acquisition of Shares & Takeover) Regulation 1997, the following Companies are to be considered as Group Companies belonging to Promoters Group.

Sr. No.	Name of the Companies	Shareholding as on 31.03.2010
1.	Sreeni Agro Chemicals Pvt. Ltd.	NIL
2.	Aries Marketing Ltd.	NIL
3.	Blossoms International Ltd.	NIL
4.	Aries East-West Nutrients Pvt. Ltd.	NIL

Subsidiary Companies

A list of Subsidiary Companies is given in Note No. 10-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.

(xiii) Details of Demat Shares as on 31st March, 2010

Name of Depository	No. of Shareholders	No. of Shares	% of Capital
NSDL	6440	11152209	85.76
CDSL	3090	1416164	10.89
Sub-Total	9530	12568373	96.65
Physical Mode	346	435966	3.35
Grand Total	9876	13004339	100.00

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

(xv) Plant Location: -

Location	Address
Mumbai, Maharashtra	• Aries House, Plot No. 24, Deonar, Govandi(E), Mumbai - 400 043, Maharashtra
Kolkata	• ALW Estate Private Limited, Holding No. F-189, Ward 28, South Station Road, Salpata Bagan, Agartara, Kolkata, 700 109, West Bengal
Hyderabad	• 244-246, 250-252, IDA Phase-II, Pashamylaram, Medak Dist. Patancheru Mandal, Hyderabad, Andhra Pradesh
Bangalore	• 8-B, Attibele Industrial Area, Hosur Main Road, Attibele, Bangalore - 562 107, Karnataka
Sanand, Ahmedabad	• Shri Hari Oil Mill Compound, Near Muni Kripa Rice Mills, Opp. B/D Eye Hospital, Rirangam Road, Sanand, Distt. Ahmedabad-382 110, Gujarat
Lucknow	• Plot No. 836, Banthara, Lucknow-Kanpur Highway, Sikandarpur, Tehsil & Distt. Lucknow, U. P., 227 101
Sharjah, UAE	• Golden Harvest Middle East FZC(a Subsidiary Company) Plot P3-04, Post Box No. 9267, Sharjah Airport International Free Zone(SAIF) Sharjah, UAE

(xvi) Address for Correspondence:

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@arthiconsultants.com
- For grievance redress and any query
Mr. Kaiser 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

**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, 2010, as stipulated in clause 49 of the Listing Agreements of the said Company with Stock Exchanges in India.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with Guidance Note of Certificate of Corporate Governance(as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency of 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: 21.07.2010

**DECLARATION BY THE CHAIRMAN & MANAGING DIRECTOR TO THE
COMPLIANCE OF CODE OF CONDUCT IN PURSUANCE OF CLAUSE 49
(D) (II) OF THE LISTING AGREEMENT**

It is hereby declared that all the Board Members and Senior Management Personnel of the Company have affirmed to the Board of Directors, their compliance with the Code of Conduct of the Company pursuant to Clause 49 (D) (ii) of the Listing Agreement.

Dr. Jimmy Mirchandani
Chairman & Managing Director

Date: 21.07.2010

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, 2010 and based on 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 and for evaluating the effectiveness of the same over the financial reporting of the Company 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. Significant changes, if any, in the internal controls over financial reporting during the year.
 - ii. Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii. 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.

Dr. Jimmy Mirchandani
Chairman & Managing Director

S. Ramamurthy
CFO

Mumbai
21st July, 2010.

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.

MANUFACTURING BASE

Aries has expanded its manufacturing base in India and overseas. As of the end of 2009-10, we have built up a total manufacturing capacity of 84,600 MT per annum spread across 6 factories in India and an additional 70,000 MT per annum at our 2 Units in Fujairah and Sharjah. This is arguably the largest world class manufacturing base of specialty plant nutrition solutions set up by an Indian Company.

The Indian manufacturing operations are spread over 6 cities, namely Mumbai, Hyderabad, Bengaluru, Kolkata, Ahmedabad and Lucknow. Our largest and most state of the art manufacturing unit is located at Hyderabad with a capacity of 37,800 MT per annum, manufacturing our flagship brands Chelamin and Agromin Max. Ahmedabad is our first factory that has facilities for the manufacture of bio-fertilizers, including our own in-house microbial breeding area. Lucknow

is our first production base located in North India.

GLOBAL SOURCING

In addition to our own manufacturing facilities, Aries has reputed global suppliers of plant nutrient products located in South America, China, the Middle East, Iran, Italy, Israel and Poland. These global suppliers provide us with best in class raw materials for our Indian factories and exclusive Made-For-India products that we rebrand under the Aries brands. During the year 2009-10, imports constituted 39 % of our total purchases, making global sourcing a key cost and quality driver for our business.

INDUSTRY TRENDS

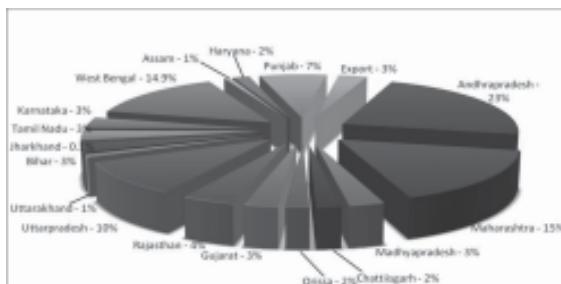
2009-10 was a very difficult year for the agribusiness industry due to the most intensive drought in several decades during the Kharif (summer) season, followed by floods in many states just prior to the Rabi (winter) season. Continuing political instability in Andhra Pradesh and the Eastern Region continued to cause major concerns. The overall agricultural scenario was bleak with total crop production reducing in both seasons significantly from 117.70 million tones to 98.83 million tonnes (a fall of 16 %). Area under cultivation also shrunk by 6.50 % (46.18 Lakh Hectares). Total rainfall deficit was also reported at 23% of the Long Period Average. This was the most deficient South West Monsoon since 1972.

Despite all these extremely difficult environmental factors, we have managed to achieve a revenue growth of 27 %. The Sales Revenues grew in all states across India, with the exception of Bihar and Chattisgarh. A summary of the state-wise revenue growth is presented below :

States with sales growth above 50%	States with sales growth between 30% - 50%	States with sales growth between 15% - 30%	States with less than 15% sales growth
Kerala	Andhra Pradesh	North East	West Bengal
Jharkhand	Tamil Nadu	Maharashtra	Chattisgarh
	Orissa	Madhya Pradesh	Rajasthan
	Haryana	Gujarat	Uttar Pradesh
	Himanchal Pradesh	Uttarkhand	Punjab
	Karnataka		

The state-wise revenue share is also depicted in the chart below. It indicates the truly national reach of the Aries range of products.

STATEWISE SHARE OF REVENUES



GROWTH DRIVERS

The growth despite adversity was achieved due to the following key reasons:

1. **Foray into International markets** : 2009-10 saw Aries products being sold in more export markets than in the past. Our international sales increased by 469 % on a consolidated basis.
2. **New products in domestic markets** : 2009-10 saw a record launch of 15 new products, taking the total products in the Aries range to include 76 brands. The 15 new products included 4 India-first concepts of European bio degradable chelates, 5 Natural Amino acid Chelates, a Marine Plant extract from Norway, a Water Treatment formulation, 2 Calcium Nitrate derivatives and 2 imported Agricultural sprayers.
3. **New Markets in India** : The year also saw Aries entering new markets like Kerala and Kashmir. We now have Aries products marketed in 24 states of India. In addition, we also actively began marketing to institutions and also scaled up our sales under State development and drought/flood relief schemes. Aries products are currently being sold in 1,75,000 villages located in 375 districts of the country.
4. **Comprehensive Sales & Extension efforts** : The Aries sales team worked tirelessly to sell in whichever markets water was available. This made the acquisition of new farmers possible and increased our customer base even in existing markets. Mindshare was increased using promotional activity that included (but was not restricted to) Farmers Meetings, Demonstrations, Sampling, Train the Trainers

Programmes, Post Master Training Sessions under MCX Grameen Suvidha Kendra Programme, SMS based Crop and Weather Advisories, Exhibitions and Expos.

KRISHI VIGYAN VAHAN

Aries has a fleet of 100 Krishi Vigyan Vahans (KVV's) that have travelled 11,24,168 kilometers and spread awareness in 4,658 villages spread across 10 States during 2009-10. The objective of these Vehicles is to build awareness even in the remote, unserved markets by conducting Farmer Briefings, Structured Meetings and Audio Visual Presentations, providing Advisory Services, Mobile Soil Testing and Field Demonstrations.

Upon spreading the required knowledge and convincing potential Consumers on the need and benefits of using the plant nutrients, the Aries staff on the KVV's book orders and provide farmers with the locations of the nearest Dealer / Retailer. This tracks the impact of the extension activities in each village and improves the throughput of the Aries Dealers and Retailers as the speed of liquidation increases with these efforts. Insurance and other purchase incentives are provided to the Consumers once the purchase is completed at Authorized Dealers, thus serving to retain Consumer loyalty.

The KVV's also collected over 30,000 soil samples for analysis and soil health cards were issued to the farmers, ensuring accurate recommendations and scientific usage of plant nutrients. This service was extremely valued by the farmers.

Aries KVV operations and its methodology and success story was captured in a Detailed News Report and Online Video Case Study developed and published by The Wall Street Journal, USA.

COST CONTROL

The Company based on erratic fluctuations in prices during the year 2008-09 had focused on monitoring the prices at frequent intervals both in India and overseas. Accordingly, the Company due to stringent monitoring of costs could manage and restrict a marginal increase in costs during the Financial Year 2009-10.

KEY DIFFERENTIATOR

Aries now has an enviable product base of 76 brands that can rival the world's best and biggest plant nutrition companies. This vast range of cost-effective, world class products serves a major differentiator as it provides Aries farmers with the widest choice of customized plant nutrients, tailor-made for his crop and soil specific needs.

INCREASING GLOBAL REACH

Aries International Sales have commenced in 4 Countries through the Indian and the UAE factories. In addition, we are also pursuing the registration of our products for commercial sale in Europe. We believe that with our International manufacturing base for Chelates, Sulphur Bentonite and water soluble NPK fertilizers, we must actively expand our global presence and be known as a production hub for cost-effective world class specialty plant nutrients for countries beyond India. Increasing our Global Reach is considered strategically important.

SULPHUR

M/S. Golden Harvest Middle East – a Subsidiary Company of Aries has set up a unit namely Amarak Chemicals, FZC to manufacture Sulphur Bentonite containing 90% elemental sulphur. This unit was showcased to the largest customers of Aries in April 2010 which has since commenced operations. M/S. Golden Harvest Middle East has invested AED 15.14 Millions on this project having a capacity of 60,000 MT p.a. to produce Sulphur Bentonite.

The current application of Sulphur in Agriculture is 10 million tons annually and the Sulphur Institute, USA, has estimated a current deficit in 2009-10 of 9.6 million tons annually. This effectively means that farmers need to double the usage of Sulphur on their crops to optimize yields. The deficit is expected to rise to 11.6 million tons annually by 2014. The largest existing markets are in Asia and the Americas, with the largest deficit being reported in India and China. India alone has an estimated deficit in usage of Sulphur of 2.2 million tonnes per annum. Interestingly, there are only 15 manufacturing units for Sulphur Bentonite in the world and none of these are located in Asia, making Amarak a nearby, cost effective source for this extremely critical plant nutrient. In fact, the deficit of Sulphur is becoming so pronounced that it is being called the emerging fourth primary nutrient after NPK.

Amarak projections indicate that with this high demand scenario expected to continue way into the future and with proximity to raw material sources and nearness to the markets with the most demand, the project would ideally have a pay back period of 2 ½ years.

OUTLOOK

The outlook for the 2010 monsoons seem positive with all experts agreeing on a prediction of a normal rainfall with 98% of the Long Term Average precipitation. Timely onset and good geo-spatial spread of the rains will certainly help in ensuring a good Kharif sowing and consequent harvests.

Aries is looking at adding 3 new plant protection products and 2 new plant nutrition products to our range during 2010-

11. This will add to the revenue growth potential. However, the seeds sales will be discontinued with effect from the Rabi 2010 season due to supply constraints from the growers, unfamiliar market dynamics and slow growth.

The sales teams will also be increasing sales and extension activities three-fold to further improve the demand creation process. To complement these intensive promotional efforts, approx. 100 new KVV's will be added during the year in approx. 5-6 States.

RISKS AND CONCERNS

Volatile raw material prices, especially of metals, sulphur and Chelating Agents which are critical inputs for Aries and its subsidiaries remain a matter deserving constant attention. Steps are being taken to contract for longer terms and keep inventory costs within an acceptable range.

The industry is witnessing the entry of new organized players, including some commodity fertilizer companies in the micronutrient sector. New players may cause price pressures from time to time but will in the long term, increase the awareness levels in key markets. However the brand strength, superior product performance, unique manufacturing processes and customer loyalty will ensure that Aries meets the challenge of new entrants head on. A few new organized players will only help expand a fast growing market.

The dependence on the monsoons remains a core challenge. However, our geographical spread, international presence and products customized to 107 crops should keep us fairly insulated from a significant aggregate revenue impact. Individual states, especially those with no or low irrigation facilities will however be affected and staff may need to be moved to areas where rains are normal or where water is available through irrigation.

Increased need for sales staff, widespread extension activities and promotional efforts, including the KVV fleet, to combat new entrants and promote a new range of concept based products will increase fixed selling and marketing costs. However the increased cost as a percentage of sales may not be very significant as revenues are expected to rise higher in proportion to the cost additions due to these efforts.

Increased global sourcing and sales will need us to be prepared for exposure to international pricing and foreign exchange fluctuations.

SEGMENTWISE / PRODUCTWISE PERFORMANCE

The Company has only one Reportable Segment in terms of Accounting Standard 17 issued by the Institute of Chartered Accountants of India .

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.

FINANCIAL PERFORMANCE:

The Company's Turnover for the financial year ended March 31, 2010 increased to Rs.13,974.61 Lakhs from Rs. 11,044.42 Lakhs in the previous year, registering a growth of 27%.

Total expenses for the year were Rs. 14,173.99 Lakhs as against Rs. 11,294.66 Lakhs in the previous year.

Profit Before Tax increased to Rs. 1,894.12 Lakhs during the year as against Rs. 503.73 Lakhs in the previous year. The increase in Profit Before Tax translates to 14% of FY 09-10 Sales.

Tax provision for the year was Rs. 638.09 Lakhs as against Rs. 192.96 Lakhs in the previous year which translates to 5% on FY 09-10 Sales.

Profit After Tax for the year was Rs. 1,256.03 Lakhs as against Rs. 310.77 Lakhs in the previous year which is 9% of FY 09-10 Sales.

RESOURCES AND LIQUIDITY:

As on March 31, 2010, the net worth of the Company stood at Rs. 9,823.10 Lakhs as against Rs. 8,936.47 Lakhs.

As on March 31, 2010, the Company had a Debt / Equity ratio of 0.89. The Company has not raised any Fixed Deposits from the public.

HUMAN RESOURCES:

As at the end of the financial year there were 612 employees under the permanent rolls and a few under contract. We have an ongoing arrangement with M/s Manoj Enterprises Hosur – 635109, for supplying of labourers for our packaging activity at our Bangalore Unit. The agreement is revalidated every year and can be renewed as per our Company's discretion. We also have an arrangement with M/s. Professional Security Services and Labour Suppliers and M/s. L. S. Enterprises at Hyderabad for supply of labourers on contract basis for our Pashamylaram Unit. Similarly we have an arrangement with M/s Proloy Enterprise for supplying of workers for production/packing, loading and unloading etc. for our Kolkata Unit and an identical arrangement has been made for Sanand Unit with M/s. Jay Laxmi Security & Labour Service. In addition, similar arrangement has been made for Lucknow Unit with M/s. Standard Active Security Services.

We have 115 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	56
2.	Semi-Skilled	10
3.	Unskilled	49
	Sub- Total	115
4.	Contract Labour	140
	TOTAL	255

The Department wise breakup of our manpower is as under:

Sr. No	Name of the Department	No. of Staff
1.	Accounts	25
2.	Administration	99
3.	Director	02
4.	Personnel & Administration	03
5.	Production (Staff)	25
6.	Production (Workers)	115
7.	Research & Development	09
8.	Sales	327
9.	Spray Dry Operator	05
10.	Legal & Secretarial	02
	TOTAL	612

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:

- ☞ 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

Through our products and our passion, Aries continually demonstrates that we are a responsible corporate citizen, working hard to retain the delicate balance of nature and the development of communities where we work and grow.

PROVIDING ENVIRONMENTALLY SENSITIVE PRODUCTS

The Aries range of Chelated micronutrients is chemically inert. All our flagship brands contain no harmful ingredients and do not react with soil and water based elements. Moreover, we have shown further commitment to ensure that our products are environmentally safe by introducing next generation bio degradable chelates for the first time in India. This now ensures that our farmers have a choice of using 100% safe products on their crops with no residues and a favourable cost benefit ratio.

PROMOTING WATER SOLUBLE PACKAGING

Our flagship brand Chelamin and the entire bio degradable range of Chelates are packed in single dose, dissolvable sachets. This ensures that the product is delivered with no plastics or foil based packaging. We have thus moved beyond environmentally sensitive products, to include eco-friendly packaging for key brands.

SPREADING KNOWLEDGE

Aries formed the pioneer young farmer network within the Confederation of Indian Industry's Young Indians. This network engages 8000 farmer members, all below 40 years of age, in knowledge dissemination activities. The year's theme for the CII-Yi-Aries Agro farmer network was building a dialogue towards evolving a framework for Indian Good Agricultural Practices (Indo-GAP). Dr Rahul Mirchandani, Executive Director, served as the National Chairman for CII's Young Indians (2009-10) and is the architect of the Yi farmers net programme.

Over 175 knowledge dissemination activities were undertaken across 11 states impacting over 11000 farmers and 4000 rural children from agricultural communities. These events exposed farmers to best practices using study tours and workshops, connected them with Agricultural Universities and also educated Rural school students in over 65 secondary schools on latest agricultural practices that will help improve productivity and consequently improve the ecosystem of wealth creation in rural communities.

Specifically, the programs included **Uniconnect** – a structured lab to land programme that connects university faculty, researchers and students with young farmers, **Suryodaya**–farmers training in local areas and **Bal Krishak Sambodhan** sessions in rural schools – Guest lectures by experts to expose higher secondary school students to the latest agricultural methods making them 'future ready'.

We also conducted two very successful National **Agromax** conferences in Guwahati, Assam and in Hissar, Haryana. Together these two flagship events had close to 4000 young farmers in attendance and had a galaxy of over 40 speakers and involved CII's Young Indians, 5 State Governments, 9 Agricultural Universities and many agribusiness corporates.

COPING WITH CLIMATE CHANGE

Aries surveyed over 800 Yi-farmers net members and prepared a comprehensive document that captured ways in which Young farmers are affected by and coping with Climate Change. This report was prepared and submitted to The Climate Project for the United Nations Copenhagen Summit.

PHILANTHROPY

During the year under review, Aries Agro supported NGOs including the National Association of the Blind, Gujarat State Branch and Srishti Foundation, Andhra Pradesh. The support extended included Announcement Sound Systems in the School for blind students and funds to feed nutritious meals to thousands of elderly persons and children in the Kakinada District of Andhra Pradesh.

ENCOURAGING INNOVATION

Yi-Aries Agro farmers net has also begun an iterative process of identifying 10 farmers each year who have achieved superlative levels of productivity and documenting and evangelizing these innovative crop management methods as '**Farming Next Practices**'.

PROVIDING ADVISORY SERVICES

Farmers were also provided with commodity prices, crop advisories and weather alerts throughout the year using mobile phone text messages. In addition, using our analytical labs and mobile soil testing units, over 30,000 soil samples were analysed across the country and **soil health cards** issued to farmers at subsidized prices.

Aries has also signed an MoU with the Multi Commodity Exchange of India (MCX) to provide deferred live **commodity prices** over the Internet and also to participate in the **MCX Grameen Suvidha Kendra** (GSK) project. Aries has trained Post Masters at 768 India Post offices in the essentials of crop nutrition and the Post Masters are now information disseminators and booking agents for a select range of Aries specialty plant nutrients. The Post Office also collects and manages farmer queries and responses using the e-Post system.

CERTIFYING ESSENTIAL SKILLS

We have, in collaboration with CII's Young Indians, Multi Commodity Exchange of India (MCX) and KIIT University, Bhubaneswar, commenced work on piloting a **world class skills certification program** in the Agriculture sectors. These programs will take the form of short courses to train youth in rural areas the essential skill of grading and standardising agricultural output. Since mandis are currently using highly unscientific and adhoc methods to finalise the auction prices of agri output, the 'certified graders' will be regarded in the community as having the qualification and expertise to provide farmers with the right price and assist buyers in procuring standardized crop output. This will improve the employability prospects of youth involved in rural sectors, improve farmer price discovery and also plug a crucial skill gap that exists.

AUDIT REPORT TO THE SHARE HOLDERS OF ARIES AGRO LIMITED

- i. We have audited the attached Balance sheet of **ARIES AGRO LIMITED**, as at 31st March, 2010 and also the annexed Profit & Loss Account and Cash Flow Statement of the Company for the period ended on that date annexed thereto. The preparation of financial statements is responsibility of the company management. Our responsibility is to express an opinion on these financial statements based on our audit.
- ii. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes
- examining, on a test basis, evidence to support the financial statement amounts and disclosures in the financial statement
 - assessing the accounting principles used in the preparation of financial statements
 - assessing significant estimates made by the management in the preparation of the financial statements and
 - evaluating overall financial statement presentation.
- We believe that our audit provides a reasonable basis for our opinion
- iii. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
- We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - In our opinion, proper books of accounts as required by law, have been kept by the Company so far as appears from our examination of the books of the Company;
 - The Balance Sheet and the Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of accounts of the Company
- d. *In our opinion, the Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by, this report comply with all material respects with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 except as under:*
- Non Provision of Leave Encashment – as per Accounting Standard 15 (See note 4 to Notes to Accounts)*
- e. On the basis of written representations received from the directors, and taken on record by the Board of Directors, in our opinion, none of the directors is disqualified from being appointed as director u/s 274(l)(g) of Companies Act, 1956;
- f. The company is not a sick company within the meaning of section 3(1) (o) of the SICA Act, 1985. Hence there is no question of payment of cess as required under section 441 A of Companies Act;
- g. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit & Loss Account and Cash Flow Statement, together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India
- in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010,
 - in the case of the Profit and Loss Account, of the profit of the Company for the period ended on that date.
 - in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

For Kirti D Shah & Associates
Chartered Accountants

Kirti D. Shah
Proprietor

Place: Mumbai
Date: 21st July, 2010

Membership No. 32371

ANNEXURE TO THE AUDITORS' REPORT

(This is the Annexure referred to in our Report of even date)

In terms of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state as under:

- i. a. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b. These fixed assets were physically verified by the management during the period. We have been informed that no material discrepancies were noticed on such physical verification.
- c. Substantial parts of fixed assets have not been disposed off during the period, which will affect its status as going concern.
- ii. a. The stock of inventory has been physically verified during the period by the management at reasonable intervals.
- b. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c. The company is maintaining proper records of inventory. No discrepancies were noticed on physical verification of stocks as compared to book records and hence the question of whether the same have been properly dealt with the books of accounts does not arise.
- iii. a. The company has taken loan from one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs. 10,200,000/- (Previous Year Rs. 1,700,000/-) and closing balance as on 31/03/2010 is Rs. NIL/- (Previous Year Rs. 1,700,000/-)
- b. The Company has given interest free advances to five parties covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the period ended 31/03/2010 is Rs. 45,609,594/- (Previous Year Rs. 19,468,816/-) and closing balance as on 31/03/2010 is Rs. 45,012,584/- (Previous Year Rs. 19,363,643/-)
- c. The Company has given loan to its subsidiary Golden Harvest Middle East FZC. The maximum balance outstanding during the period ended 31/03/10 is Rs. 267,847,108/- (Previous Year Rs. 267,847,108/-) and closing balance as on 31/03/10 is Rs. 236,051,682/- (Previous Year Rs. 267,847,108/-). For this purpose the company has taken loan from ICICI Bahrain. The interest paid on loan is recovered from said Subsidiary.
- d. As per information and explanation provided to us, the loans granted by the Company except the loan granted to Golden Harvest Middle East FZC mentioned in clause 'c' above, are interest free. However other terms and conditions on which such loans and advances given to Companies, Firms or Other Parties listed in the Register maintained under section 301 are not, prima facie, prejudicial to the interest of the Company.
- e. The Company is regular in repaying the principal amounts as stipulated and has been regular in

- the payment of interest wherever applicable
- f. As per the information given by the management, in case of overdue amount more than Rs.1.00 lakhs, the reasonable steps have been taken by the company for recovery of the principal and Interest.
 - iv. In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. In our opinion, there is no continuing failure to correct major weaknesses in internal control.
 - v.
 - a. According to the information and explanation provided by the management, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the Register maintained under section 301 have been so entered.
 - b. The transactions made in pursuance of contracts or arrangements entered in the Register maintained under section 301 and exceeding value of Rupees Five Lakhs in respect of any party during the period have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
 - vi. The Company has not accepted deposits from the public. Hence, the question of complying the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Act and the rules framed there under, where applicable, does not arise.
 - vii. The company has appointed a firm of Chartered Accountants for carrying out the internal audit, whose scope of work, according to our information, is commensurate with the size of the Company and nature of its business
 - viii. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the central government for the maintenance of the cost records under section 209 (1) (d) of the act and are of the opinion that Prima facie the prescribed accounts and records have been made and maintained by the company. We have not, however made a detailed examination of the same. The Company has appointed a cost accountant to carry out the Cost Audit.
 - ix.
 - a. The company is generally regular in depositing statutory dues including Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues except some occasional delays. As per the information given by the management and apparent from the records the undisputed liabilities as on 31st March 2010 was Rs. NIL
 - b. Details of disputed liability in respect of tax dues on account of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess together with the status and the Forum before which such dispute is pending as on 31st March 2010 is as per Annexure 1 attached to and forming part of this report.
 - x. The company has no accumulated losses. The company has not incurred cash losses in the financial period under report and in the financial period immediately preceding such financial period.
 - xi. The company has not defaulted in repayment of dues to a financial institution or bank. The Company has not obtained any borrowings by way of debenture.

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| <p>xii. According to the records of the company, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.</p> <p>xiii. The company is not a chit fund, Nidhi or mutual benefit fund/society.</p> <p>xiv. The company is not dealing or trading in shares, securities, debentures and other investments. The shares held by the Company have been held by the Company in its own name.</p> <p>xv. The company has not given any guarantee for loans taken by others from Banks or financial institutions.</p> <p>xvi. The company has taken a term loan which has been utilized for the purpose for which such loans were obtained.</p> <p>xvii. The funds raised on short-term basis have not been used for long term investment and vice versa.</p> <p>xviii. According to the records of the Company and the information and explanation provided by the management, the company has not made any</p> | <p>preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.</p> <p>xix. The Company has not issued any debentures hence the clause XIX of the said order is not applicable to the company.</p> <p>xx. The Company has not raised any Capital during the year and hence the question whether the management has disclosed the end use of money raised by public issues and whether the same has been verified by us or not does not arise.</p> <p>xxi. During the checks carried out by us, any fraud on or by the Company has not been noticed or reported during the period under report.</p> |
|---|--|
- For Kirti D Shah & Associates**
Chartered Accountants

Kirti D. Shah
Proprietor
- Place : Mumbai

Date : 21st July, 2010

Membership No. 32371

ANNEXURE 1 TO AUDITORS REPORT (CLAUSE IX-B)

Details of disputed statutory dues outstanding as on 31st March, 2010

Nature of Dues	Period to which payment relates	Forum where the dispute is pending	Particulars of Dispute	Tax Outstanding
Sales Tax (Kanpur)	1994-1995	Hon'ble Trade Tax Tribunal, (U.P.)	Applicability of C Form on interstate sale of poultry products	93,173
Sales Tax (Kanpur)	1985-1986	Tribunal	Classification of goods	175,000
Vat (Maharashtra)	2006-2007	DC of Sales Tax Appeal-3, Mumbai	Levy of Penalty	538,920
Sales Tax (Lucknow)	2009-2010	Joint Commissioner Appeal-3, Commercial Tax Department, Lucknow	Levy of Penalty	244,000
Income Tax	2005-2006	Income Tax Appellate Tribunal	Disallowance of Notional Interest on Advances given	2,223,927

BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	Schedule No.	As at 31 March 2010 Rupees	As at 31 March 2009 Rupees
I. SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
(a) Share Capital	1	130,043,390	130,043,390
(b) Reserves and Surplus	2	934,395,470	848,536,651
		1,064,438,860	978,580,041
LOAN FUNDS			
(a) Secured Loans	3	784,734,939	650,138,627
(b) Unsecured Loans	4	90,628,878	54,751,446
		875,363,817	704,890,073
DEFERRED TAX LIABILITY / (ASSET)		14,883,932	4,575,005
TOTAL		1,954,686,609	1,688,045,119
II. APPLICATION OF FUNDS			
FIXED ASSETS			
(a) Gross Block	5	406,074,382	357,655,066
(b) Less :- Depreciation		83,017,364	66,961,073
		323,057,018	290,693,994
CAPITAL WORK IN PROGRESS	6	157,277,529	192,131,208
INVESTMENTS	7	146,404,500	65,748,000
CURRENT ASSETS, LOANS & ADVANCES			
(a) Inventories	8	468,676,765	503,568,936
(b) Sundry Debtors	9	695,217,543	493,515,572
(c) Cash & Bank Balances	10	67,692,245	3,715,394
(d) Loans and Advances	11	477,362,931	435,826,859
		1,708,949,484	1,436,626,762
Less: CURRENT LIABILITIES AND PROVISIONS			
(a) Current Liabilities	12	322,376,209	276,002,021
(b) Provisions		58,625,713	21,152,823
		381,001,923	297,154,844
NET CURRENT ASSETS		1,327,947,561	1,139,471,918
TOTAL		1,954,686,609	1,688,045,119
Significant Accounting Policies & Notes on Accounts	19		

As per our report of even date
For Kirti D Shah & Associates
Chartered Accountants
Kirti D Shah
Proprietor
Membership No 32371
Place : Mumbai.
Date : 21st July, 2010

Dr. Jimmy Mirchandani
Chairman & Managing Director
Dr. D. S. Jadhav
Director
Mr. S. Ramamurthy
Chief Financial Officer

For and on Behalf of the Board

Dr. Rahul Mirchandani
Executive Director
Prof R S S Mani
Director

Mr. Akshay Mirchandani
Director
Mr. C. B. Chhaya
Additional Director
Mr. Qaiser P. Ansari
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	Schedule No.	Year Ended 31 March 2010 Rupees	Year Ended 31 March 2009 Rupees
I. INCOME			
(a) Sales		1,397,461,273	1,104,441,882
(b) Other Income	13	39,494,621	16,338,154
(c) Increase/(Decrease) in stock	14	169,855,161	59,058,540
Total Revenue		1,606,811,055	1,179,838,576
II. EXPENDITURE			
(a) Consumption of Materials	15	780,235,800	548,799,715
(b) Manufacturing Expenses	16	76,105,855	75,696,280
(c) Interest and Financial charges		86,762,166	58,130,722
(d) Payment to & for Employees	17	119,109,242	94,207,837
(e) Administration & Other Expenses	18	339,201,994	342,927,759
(f) Depreciation		15,983,598	9,703,540
		1,417,398,656	1,129,465,854
III. Profit Before Tax (PBT)		189,412,400	50,372,722
IV. Provision for Taxation			
(i) Income tax			
Current Tax		53,000,000	8,300,000
Deferred Tax		10,308,927	7,995,996
(ii) Fringe Benefit tax		–	2,800,000
(iii) Wealth tax		500,000	200,000
		63,808,927	19,295,996
V Profit After Tax (PAT)		125,603,473	31,076,726
Less: Prior Period Items		13,211,626	–
Short Provision for Tax in Earlier Years		982,296	18,280,761
VI Balance brought forward from Previous Year		255,609,787	242,813,822
VII Amount available for Appropriations		367,019,338	255,609,787
VIII Appropriations			
Transfer to General Reserve		15,000,000	–
Proposed Dividend		19,506,509	–
Tax on Proposed Dividend		3,239,790	–
IX Balance Carried to Balance Sheet		329,273,038	255,609,787
Basic & Diluted Earning per Share of Face Value of Rs. 10/- each		9.66	2.39
Significant Accounting Policies & Notes on Accounts	19		

As per our report of even date
For Kirti D Shah & Associates
Chartered Accountants
Kirti D Shah
Proprietor
Membership No 32371
Place : Mumbai.
Date : 21st July, 2010

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Additional Director
Mr. Qaiser P. Ansari
Company Secretary

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs. in Lakhs)

Particulars	Year Ended 31 March, 2010 Rupees	Year Ended 31 March, 2009 Rupees
A) Cash Flow from Operating Activities :-		
Net Profit Before Tax and Extraordinary Items	1,894.12	503.73
Adjustments for :-		
Depreciation	159.84	97.04
Proposed Dividend / Dividend Distribution Tax	(227.46)	-
Income-tax & Fringe Benefit Tax paid	(535.00)	(113.00)
Prior Period Taxes	(9.82)	(182.81)
Prior Period Expenses	(132.12)	-
Interest / Dividend being income from Investing Activities	(253.96)	(163.23)
Interest Expense being Cash flow for Financing Activities	867.62	581.31
(Profit)/Loss on sale of Fixed Assets being Cash Flow on a/c of Investing Activities	20.42	4.34
Cash Flow from Operations before Working Capital Changes	1,783.64	727.38
(Increase) / Decrease in Inventories	348.92	(2,937.27)
(Increase) / Decrease in Trade Receivables	(2,017.02)	(1,026.03)
(Increase) / Decrease in Loans & Advances	(415.36)	124.47
Increase / (Decrease) in Current Liabilities and Provisions	838.47	99.82
Cash Flow from Operating Activities	538.65	(3,011.63)
B) Cash Flow from Investing Activities :-		
Purchase of Fixed Assets, Capital Work In Progress & Advances on Capital A/c	(202.36)	(1,345.76)
Increase in Investments incl. Share Application Money	(806.57)	(0.35)
Proceeds on Sale of Fixed Assets	18.96	15.09
Interest Received	253.96	163.23
Cash Flow from Investing Activities	(736.00)	(1,167.78)
C) Cash Flow from Financing Activities :-		
Increase / (Decrease) in Borrowings	1,704.74	4,741.31
Interest Paid	(867.62)	(581.31)
Cash Flow from Financing Activities	837.12	4,160.00
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	639.77	(19.41)
Cash & Cash Equivalents at the Beginning of the Year	37.15	56.56
Cash & Cash Equivalents at the End of the Year	676.92	37.15

As per our report of even date
For Kirti D Shah & Associates
Chartered Accountants
Kirti D Shah
Proprietor
Membership No 32371
Place : Mumbai.
Date : 21st July, 2010

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Additional Director

Mr. Kaiser P. Ansari
Company Secretary

**SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET
AS AT 31ST MARCH, 2010**

Particulars	As at 31 March, 2010 Rupees	As at 31 March, 2009 Rupees
SCHEDULE 1 - SHARE CAPITAL		
Authorised 15,000,000 Equity Shares of Rs. 10/- each (Previous year 15,000,000 Equity Shares of Rs. 10/- each)	150,000,000	150,000,000
	150,000,000	150,000,000
Issued, Subscribed and Paidup 13,004,339 Shares of Rs.10/- each. The Capital includes 6,600,700 shares of Rs.10/- each issued as Bonus Shares	130,043,390	130,043,390
PER BALANCE SHEET	130,043,390	130,043,390
SCHEDULE 2 - RESERVES AND SURPLUS		
GENERAL RESERVE		
Balance b/f	17,956,310	—
Add : Transfer from Profit & Loss A/c	15,000,000	17,956,310
	32,956,310	17,956,310
SHARE PREMIUM		
Balance b/f	490,037,050	490,037,050
	490,037,050	490,037,050
REVALUATION RESERVE		
Balance b/f	84,933,505	87,737,938
Less : Depreciation on Revalued assets	2,804,433	2,804,433
	82,129,072	84,933,505
PROFIT & LOSS ACCOUNT (as per annexed a/c)	329,273,038	255,609,787
	329,273,038	255,609,787
PER BALANCE SHEET	934,395,470	848,536,651

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Particulars	As at 31 March, 2010 Rupees	As at 31 March, 2009 Rupees
SCHEDULE 3 - SECURED LOANS		
Term Loans		
FROM BANKS	26,835,341	48,547,732
(Against charge created on Company's Asset i.e.Motor vehicles) Repayable within one year Rs. 14,367,654/- (Previous year Rs. 32,505,447/-)		
FROM BANKS – ICICI BANK BAHRAIN	239,005,728	271,186,230
(Foreign Currency Loan – Secured against Equitable Mortgage of Land and Building and personal guarantee of Directors) Repayable within one year Rs. 9,589,736/- (Previous year Rs. 834,416/-)		
FROM COMPANY	295,152	–
(Against charge created on Company's Asset i.e.Motor vehicles) Repayable within one year Rs. 53,715/- (Previous year Rs. NIL)		
Cash Credit / Overdraft / Working Capital Demand Loan (WCDL) / Buyers Credit		
FROM BANKS		
HDFC BANK – BUYER'S CREDIT	30,290,823	33,522,108
(Against charge created on Company's Inventory, Book Debts and Plant & Machinery and guaranteed by Directors)		
ICICI BANK – BUYER'S CREDIT	38,281,591	42,858,099
(Against charge created on Company's Inventory, Book Debts and Plant & Machinery and guaranteed by Directors)		
INDIAN OVERSEAS BANK - CASH CREDIT	–	81,333,162
(Against charge created on Company's Inventory, Book Debts and Plant & Machinery and guaranteed by Directors)		
HDFC BANK - WCDL	100,000,000	86,329,105
(Against charge created on Company's Inventory, Book Debts and Plant & Machinery and guaranteed by Directors)		
ICICI BANK - CASH CREDIT	119,635,438	86,362,191
(Against charge created on Company's Inventory, Book Debts and Plant & Machinery and guaranteed by Directors)		
CANARA BANK - CASH CREDIT	135,394,748	–
(Against charge created on Company's Inventory, Book Debts and Plant & Machinery and guaranteed by Directors)		
YES BANK – WCDL / BILL DISCOUNTING	94,996,118	–
(Against charge created on Company's Inventory, Book Debts and Plant & Machinery and guaranteed by Directors)		
PER BALANCE SHEET	784,734,939	650,138,627

Particulars	As at 31 March, 2010 Rupees	As at 31 March, 2009 Rupees
SCHEDULE 4 - UNSECURED LOANS		
(i) FROM BANKS		
HDFC BANK (Guaranteed by Directors)	45,329,747	30,555,671
Secured by charge on personal Assets of Directors		
Repayable within one year Rs. 11,635,902/-		
(Previous year Rs. 3,254,319/-)		
Repayable within one year Rs. 4,49,96,118/-		
(Previous year Rs. NIL)		
(ii) FROM SHAREHOLDERS	-	381,000
Interest Accrued & Due on Above	-	4,758
(iii) LOAN FROM DIRECTORS	-	1,700,000
(iv) SECURITY DEPOSIT – TRADE	45,299,131	22,110,017
(v) LOAN FROM HOLDING COMPANY	-	-
PER BALANCE SHEET	90,628,878	54,751,446
SCHEDULE 5 - FIXED ASSETS		
Gross block	406,074,382	357,655,066
Less :- Depreciation	83,017,364	66,961,073
(As per Separate Statement attached)		
PER BALANCE SHEET	323,057,018	290,693,994
SCHEDULE 6 - CAPITAL WORK IN PROGRESS	157,277,529	192,131,208
PER BALANCE SHEET	157,277,529	192,131,208
SCHEDULE 7 - INVESTMENTS		
A. Investments in Government or Trust Securities (Unquoted)		
National Saving Certificates		
(Deposited with BMC for plot at Deonar, Mumbai and for S.S.I.	13,000	13,000
Registration deposited with Industrial Department, Hyderabad)		
B. Unquoted at Cost		
TRADE		
Investment in Subsidiaries		
a) In Shares of Aries Agro Care Pvt Ltd (Wholly Owned)		
10,000 Equity Shares of Rs 10/- each	100,000	100,000
b) In Shares of Aries Agro Equipments Pvt Ltd (Wholly Owned)		
10,000 Equity Shares of Rs 10/- each	100,000	100,000
c) In Shares of Golden Harvest Middle East FZC		
1) 1,125 Equity Shares of AED 100/- each Rs. 1,227,375/-		
(Previous Year Rs. 1,227,375/-)		
2) Shareholders Current A/c Rs. 144,889,125/-		
(Previous Year Rs. 64,232,625/-)	146,116,500	65,460,000
d) In Shares of Aries Agro Produce Pvt Ltd		
7,500 Equity Shares of Rs 10/- each	75,000	75,000
PER BALANCE SHEET	146,404,500	65,748,000
SCHEDULE 8 - INVENTORIES		
(At lower of cost or Net Realisable Value)		
(As Certified and valued by the Management)		
Finished / Traded Goods	347,594,639	221,566,114
Finished / Traded Goods-in-Transit	2,826,250	-
Raw Materials	39,015,091	204,740,918
Packing Materials	79,240,785	77,261,904
PER BALANCE SHEET	468,676,765	503,568,936

ANNEXURE TO SCHEDULE '5' SCHEDULE OF FIXED ASSETS FOR THE YEAR ENDED 31ST MARCH, 2010

Sr. No.	Particulars	Gross Block			Depreciation Block				Net Block			
		Balance as on 31-Mar-09	Additions during the Year	Deductions During the Year	Balance as on 31-Mar-10	Balance as on 31-Mar-09	Provided during the Year	On Revaluations	Deductions during the Year	Total As on 31-Mar-10	As on 31-Mar-10	As on 31-Mar-09
1	Land	1,514,775	-	-	1,514,775	-	-	-	-	-	1,514,775	1,514,775
2	Factory Building	214,817,157	-	-	214,817,157	32,076,741	697,088	2,804,433	-	35,578,262	179,238,895	182,740,416
3	Residential Flat	350,000	-	-	350,000	70,257	5,705	-	-	75,962	274,038	279,743
4	Plant & Machinery	40,107,611	617,564	-	40,725,175	9,198,049	2,735,913	-	-	11,933,962	28,791,213	30,909,562
5	Electrical Installations	4,525,385	194,000	-	4,719,385	791,864	187,599	-	-	979,463	3,739,922	3,733,521
6	Laboratory Equipments	1,719,060	284,540	-	2,003,600	317,366	79,536	-	-	396,902	1,606,698	1,401,694
7	Office Equipments	2,324,333	726,620	105,000	2,945,953	1,122,891	134,971	-	51,675	1,206,187	1,739,766	1,201,442
8	Furniture & Fixtures	13,971,476	1,598,877	-	15,570,353	1,359,894	748,486	-	-	2,108,380	13,461,973	12,611,582
9	Air Conditioners	2,491,179	171,400	-	2,662,578	1,350,754	48,216	-	-	1,398,970	1,263,608	1,140,425
10	Computer	20,301,811	188,740	-	20,490,551	6,079,032	2,999,333	-	-	9,078,365	11,412,186	14,222,779
11	Vehicles	47,934,945	14,210,340	6,565,115	55,580,170	13,970,661	4,556,073	-	2,680,063	15,846,670	39,733,500	33,964,285
12	Commercial Vehicles	7,597,335	37,097,350	-	44,694,685	623,563	3,790,678	-	-	4,414,241	40,280,444	6,973,772
	Total	357,655,066	55,089,431	6,670,115	406,074,382	66,961,073	15,983,598	2,804,433	2,731,738	83,017,364	323,057,018	290,693,994
	Previous Year Rs.	317,423,673	46,180,955	5,949,562	357,655,066	56,104,518	9,703,540	2,804,433	1,651,418	66,961,073	290,693,994	261,319,155

Particulars	As at 31 March, 2010 Rupees	As at 31 March, 2009 Rupees
SCHEDULE 9 - SUNDRY DEBTORS		
Unsecured - Considered Good		
Outstanding for a period exceeding six months	268,369,529	179,617,616
Others	426,848,014	313,897,956
PER BALANCE SHEET	695,217,543	493,515,572
SCHEDULE 10 - CASH AND BANK BALANCES		
Cash on hand	49,309	46,859
With Scheduled Banks on Current Account	67,642,936	3,668,535
PER BALANCE SHEET	67,692,245	3,715,394
SCHEDULE 11 - LOANS & ADVANCES		
Unsecured - Considered Good		
Loans & Advances		
Advances recoverable in cash or in kind or for value to be received		
- to Subsidiary Companies	259,724,114	282,711,215
- to Companies under management in which Directors are interested	21,340,152	16,336,803
- Margins For Letter of Credit	9,290,616	5,241,655
- Margin for Bank Guarantees	1,989,625	2,606,312
- Advances to Suppliers	157,602,149	99,036,919
- Advances to Staff Against Expenses	3,937,911	5,364,973
- Amount recoverable from Directors	-	453,425
- Advance Rent	37,375	-
Staff Loans	598,113	1,338,086
Sundry Deposits	4,933,499	9,328,054
Imprest Advance for Vehicle Expenses	260,813	20,000
Tax Refunds	2,493,152	2,521,226
Interest Accrued but not Due	32,090	36,839
Advance Income Tax / Tax Deducted at Source	9,176,774	1,721,566
Other Advances	3,896,161	614,430
Pre-paid Expenses	2,050,386	1,231,924
Funds in Transit	-	7,263,432
PER BALANCE SHEET	477,362,931	435,826,859
SCHEDULE 12 - CURRENT LIABILITIES AND PROVISIONS		
Sundry Creditors		
(a) For Goods	169,682,106	185,347,494
(b) For Expenses	118,818,385	58,485,856
(c) Book Overdrafts	-	121,890
(d) Advances/Credits from Customers	26,244,657	30,006,360
(e) Due to Directors	6,091,503	356,934
(f) Interest Accrued but not Due	1,539,559	1,683,487
	322,376,209	276,002,021
Provisions :		
For Taxation		
Income Tax	54,782,175	13,082,175
Fringe Benefit Tax	103,748	7,720,648
Wealth Tax	500,000	350,000
Dividend Distribution Tax	3,239,790	-
	58,625,713	21,152,823
PER BALANCE SHEET	381,001,923	297,154,844

SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	Year Ended 31 March, 2010 Rupees	Year Ended 31 March, 2009 Rupees
SCHEDULE 13 - OTHER INCOME		
Exchange Rate Fluctuation	10,554,580	—
Exchange Rate Difference due to Translation	3,222,471	—
Interest Income	25,396,181	16,323,093
Misc. / Other Income	321,389	15,061
PER PROFIT AND LOSS ACCOUNT	39,494,621	16,338,154
SCHEDULE 14 - INCREASE / (DECREASE) IN STOCK		
Closing Stock of Finished Goods	301,899,176	134,870,265
Add : Closing Stock of Goods-in-Transit	2,826,250	—
Less : Opening Stock of Finished Goods	134,870,265	75,811,725
PER PROFIT AND LOSS ACCOUNT	169,855,161	59,058,540
SCHEDULE 15 - CONSUMPTION OF MATERIALS		
1) Opening Stock of Raw Materials	204,740,918	56,656,168
Add : Purchases	315,926,519	316,733,584
	520,667,437	373,389,752
Less : Closing Stock of Raw Materials	39,015,091	204,740,918
Raw Material Consumed	481,652,346	168,648,834
2) Opening Stock of Packing Materials	77,261,904	38,775,175
Add : Purchases	91,866,139	88,044,624
	169,128,043	126,819,799
Less : Closing Stock of Packing Materials	79,240,785	77,261,904
Packing Materials Consumed	89,887,258	49,557,895
3) Traded / Re-Branded Products		
a) Plant Nutrients		
Opening Stock	77,147,101	32,188,198
Add : Purchases	91,069,728	349,326,539
	168,216,829	381,514,737
Less : Closing Stock	9,346,249	77,147,101
Plant Micronutrients Traded	158,870,580	304,367,636
b) Insecticides		
Opening Stock	9,548,748	6,410,902
Add : Purchases	61,896,888	29,363,196
	71,445,636	35,774,098
Less : Closing Stock	34,842,624	9,548,748
Insecticides Traded	36,603,012	26,225,350
c) Equipments		
Opening Stock	—	—
Add : Purchases	14,729,195	—
	14,729,195	—
Less : Closing Stock	1,506,590	—
Equipments Traded	13,222,605	—
Traded / Rebranded Products (a+b+c)	208,696,197	330,592,986
Consumption of Materials (1 + 2 + 3)	780,235,800	548,799,715

Particulars	Year Ended 31 March, 2010 Rupees	Year Ended 31 March, 2009 Rupees
SCHEDULE 16 - MANUFACTURING EXPENSES		
Consumables	4,555,534	9,599,812
Excise Duty & Education Cess	15,796,378	16,139,565
Freight Inward	13,207,463	11,381,766
General Expenses – Factory	1,610,024	1,956,504
Power & Fuel	5,042,998	5,660,525
Processing Charges	7,117,917	6,069,707
Rent, Rates & Taxes – Factory & Godown	5,538,888	4,347,737
Repairs & Maintenance – Factory	1,310,346	1,766,973
Wages	21,926,307	18,773,691
PER PROFIT AND LOSS ACCOUNT	76,105,855	75,696,280
SCHEDULE 17 - PAYMENT TO & FOR EMPLOYEES		
Allowances	7,143,057	4,352,079
Bonus	2,898,050	3,838,906
Directors Remuneration	13,570,195	9,763,209
Funds/Contribution	12,560,570	10,627,253
Perks/Expenses	1,197,974	695,923
Salary	76,922,839	59,244,090
Staff Welfare Expenses	4,306,346	4,941,510
Training & Recruitment Expenses	510,211	744,867
	119,109,242	94,207,837
SCHEDULE 18 - ADMINISTRATION, SELLING & OTHER EXPENSES		
Selling Costs		
Advertisement & Publicity	31,844,453	9,871,554
Business Promotion Expenses	374,809	–
Discount and Rebate	123,967,839	154,010,590
Freight & Delivery Expenses	66,659,521	59,270,790
Mobile Selling Expenses (KVV)	24,078,321	1,463,329
Selling Expenses	5,331,288	3,069,790
Travelling expenses	39,110,182	37,241,086
	291,366,412	264,927,139
Other Administration Expenses		
Auditors Remuneration	1,323,600	1,342,140
Conveyance & Motor Car Expenses	12,504,203	11,361,268
Electricity	565,469	754,285
Exchange Rate Fluctuation	–	33,288,304
General Expenses – Office	3,072,776	3,130,744
Insurance Expenses	2,086,902	1,427,588
Legal & Professional Charges	4,515,106	4,824,450
Loss on Sale of Fixed Asset	2,042,277	434,407
Postage & Telephones	6,742,878	6,298,746
Printing & Stationary	9,569,719	10,365,049
Rent, Rates & Taxes	3,749,606	4,147,515
Repairs and Maintenance – Office	1,663,047	626,124
PER PROFIT AND LOSS ACCOUNT	47,835,583	78,000,620
	339,201,994	342,927,759

SCHEDULE: 19

NOTES TO ACCOUNTS

1. Significant Accounting Policies

A. Basis of Preparation

The financial statements have been prepared under the historical cost convention and materially comply with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 1956. All income and expenditure having material bearing on the financial statements have been recognized on the accrual basis.

B. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

C. Fixed Assets and Depreciation

- a) Fixed Assets are stated at cost of acquisition / construction / revaluation less accumulated depreciation
- b) Depreciation on Fixed Assets is provided on straight line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.
- c) Depreciation on building to the extent of revalued amount has been debited to Revaluation Reserve account.
- d) On assets acquired during the year and assets sold during the year the depreciation has been provided pro rata for the period used.
- e) The company had acquired several vehicles which are yet to be transferred in the name of the company. The company has all the ownership rights and the depreciation thereon has been charged at the rates prescribed in Schedule XIV of the Companies Act, 1956.

D. Investments

Investments being long term are stated at cost. Provision is made to recognize a diminution other than temporary in the value of investments.

E. Inventory

- a) Raw material, packing materials, stores, spares and stock-in-transit valued at cost.
- b) Finished goods are valued at cost or market value whichever is lower. The cost includes cost of production and expenses incurred in putting the inventories in their present location and condition.
- c) Waste and scrap are not separately valued being insignificant in value

F. Revenue Recognition

- a) Revenue from sale of goods is recognized when the goods are handed over to the customer or his duly authorized agent
- b) Sales are accounted net of sales tax recovered, sales returns, trade discounts, rebates and allowances but include duties wherever applicable. (Though, quantity discounts, Incentive discounts are debited to Profit & Loss A/c. directly.)

G. Employee Benefits

- a) Bonus is accounted on accrual basis
- b) Gratuity is covered under the group gratuity scheme of life insurance Corporation of India.
- c) All employees are eligible for benefit under provident fund (PF) scheme. Provident Fund of 12% covers employees basic salary plus dearness allowance wherever applicable is deducted and paid alongwith company's contribution of an equal amount on a monthly basis to the government administered provident fund scheme and charged to profit and loss account.

H. Earning Per Share

Basic earning per Share is 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.

I. Impairment of Assets

The carrying amount of the Company's Assets are reviewed at each balance sheet date if any indication of any impairment exists, an impairment loss is recognized to the extent of the excess of the carrying amount over the estimated accountable amount.

J. Foreign Currency Transactions

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

2. Current Assets, Loans & 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 reasonably necessary.
- c) The balances of Sundry Creditors, Sundry Debtors and Loans and Advances are subject to confirmation.

3. Gratuity

The Company has opted for Life insurance corporation of india's group gratuity scheme for its employees. The scheme offered by the life insurance corporation of india permits the company for payment of arrears in five yearly installments commencing from 1st December, 2005. The total contribution payable including arrears as per life insurance corporation of india as on 31/03/2010 is Rs. 25,900,077/-. During the year the company has paid Rs 3,879,534/- (Previous year Rs.1,037,662/-) towards gratuity fund. The unprovided liability as on 31/03/2010 is Rs.Nil (Previous year Rs. 13,211,626/-). The details of contribution to gratuity fund are as under:

- a) Present value of obligations as on 31/03/2010 is Rs. 25,900,077/-.

- b) Fair value of plan assets as on 31/03/2010 is Rs. 9,850,079/-.
- c) Provisions made (fully) as on 31/03/2010 is Rs. 16,049,998/-.

4. Leave Encashment

As per the policy of the company, only managerial staff is entitled to encash their annual leave. The same is accounted for on cash basis. The liability is unascertainable.

5. Contingent Liability not provided for in the accounts:

- a) Letters of credit / guarantee Rs. 634.90 lakhs
- b) Claims against company not acknowledged as debts Rs. 51.84 lakhs which includes tax dues disputed as Rs 10.51 lakhs towards sales Tax, Rs. 14.73 lakhs towards Income Tax and includes Rs. 25.51 lakhs pertaining to pending suits regarding quality issue.
- c) The Commissioners of Central Excise, Mumbai and Hyderabad had issued Show Cause-Cum-Demand Notices for levy of Excise Duty on clearances of Micronutrients amounting to Rs.8.02 Crores. 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. The Department has preferred appeals against the said orders. The Department has issued Show Cause Notices to the Company in respect of clearances thereafter. Though, in view of the Orders referred to above and the pending appeals, no action has been taken. The Company expects no liability in this regard.
- d) Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of Advances) is Rs 420.38 Lakhs.

6. Income Tax

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company. Deferred Tax Assets and Liabilities are recognized for the future tax consequences attributable to timing differences that result between the profit offered for Income Tax and profit as per financial statements.

Deferred Tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted on the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date.

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7. Deferred Tax: Accounting Standard - 22

Particulars	Year Ended 31 st March 2010	Year Ended 31 st March 2009
1 As on 1 st April, 2009		
A Deferred Tax Liability on account of depreciation	4,575,005	NIL
B Deferred Tax Asset	NIL	(3,420,991)
	4,575,005	(3,420,991)
2 Deferred Tax Liability / (Assets) as on 31 st Mar, 2010.		
A Deferred Tax Liability on account of depreciation	21,690,767	14,785,257
B Deferred Tax Asset on account of issue expenses w/off	(6,806,835)	(10,210,252)
C Deferred Tax Liability / (Asset)	14,883,932	4,575,005
Deferred Tax Liability/(Asset) Debited to Profit & Loss A/c.	10,308,927	7,995,996

ASSUMPTION:

All the expenses claimed (but allowable on the condition of payment U/s 43B) will be paid on or before "due date".

8. Earnings per Share

Particulars	Year Ended 31 st March 2010	Year Ended 31 st March 2009
Net Profit after tax as per Profit & Loss Account attributable to Equity Shareholders	125,603,473	31,076,726
Net Profit before exceptional items	125,603,473	31,076,726
Weighted Average number of Equity Shares used as denominator for calculating EPS	13,004,339	13,004,339
Basic & Diluted Earning per Share (Rs.)	9.66	2.39
Basic & Diluted Earning before exceptional items per Share (Rs.)	9.66	2.39
Face Value per Equity Share	10	10

9. Segmental Reporting as per Accounting Standard - 17

The Company has only One Reportable Segment in terms of Accounting Standard 17 issued by ICAI

10. Related Party Disclosure as per Accounting Standard – 18 issued by The Institute of Chartered Accountants of India.

PART – A

DETAILS OF RELATED PARTIES AS PER AS – 18

Nature of Relationship	Name of Related Party	Remarks
Subsidiary	Aries Agro Care Pvt. Ltd. Aries Agro Equipments Pvt. Ltd. Aries Agro Produce Pvt. Ltd. Golden Harvest Middle East FZC	Date of Incorporation 5th January 2007 Date of Incorporation 12th January 2007 Date of Incorporation 20th June 2008 Date of Incorporation 31 st October 2004
Enterprises over which the key Management Persons has Significant Influence or Control	Aries Marketing Ltd. Blossoms International Ltd. Sreeni Agro Chemicals Pvt.Ltd. Aries East West Nutrients Pvt.Ltd.	
Key Management Personnel	Dr. Jimmy Mirchandani Dr. Rahul Mirchandani Mr. Akshay Mirchandani	Chairman & Managing Director Executive Director Director

Relatives of Key Management Personnel	Name of Key Management Person	Name of Relative	Relationship
	Dr. Jimmy Mirchandani	Mrs. Sarasa Mirchandani Mr. Akshay Mirchandani Mr. Amol Mirchandani Dr. Rahul Mirchandani	Spouse Son Son Brother
	Dr. Rahul Mirchandani	Mrs. Nitya Mirchandani Master Armaan Mirchandani Dr. Jimmy Mirchandani	Spouse Son Brother
	Mr. Akshay Mirchandani	Mrs. Aparna Mirchandani Dr. Jimmy Mirchandani Mrs. Sarasa Mirchandani Mr. Amol Mirchandani	Spouse Father Mother Brother
Enterprises in which the key Management Persons have total control	Mirabelle International	Prop. Dr. Jimmy Mirchandani	

PART – B

DETAILS OF TRANSACTIONS WITH RELATED PARTIES

Sr. No.	Category	Nature of Service	Year Ended 31 st March 2010	Year Ended 31 st March 2009
1	Subsidiary	Finance – Loans/Payments Given Finance – Loans/Payments Received Finance Equity – Share application money paid Sale of Goods Purchases made Receipts from sale of goods Payments (Net of receipts) for goods	16,392,431 15,780,623 80,656,500 53,597,213 102,612,951 5,585,772 127,704,026	89,882,178 20,462,771 75,000 422,490 226,597,305 – 219,193,944
2	Enterprise over which key management personnel has significant influence or control	Finance - Loans/Payment given Sales Receipts from sale of goods	5,003,349 – –	105,173 1,661,088 1,765,000
3	Key Management Personnel	Finance – Unsecured loans received Finance – Unsecured loans repaid Directors remuneration paid	9,500,000 11,200,000 13,367,695	4,200,000 2,500,000 9,515,709

PART – C**BALANCE OUTSTANDING WITH RELATED PARTIES.**

Nature of out standing	Category	Name of the Party	Year Ended 31st March 2010	Year Ended 31st March 2009
Loans and Advances	Subsidiary	Aries Agro Care Pvt Ltd	12,204,327	11,232,354
		Aries Agro Equipments Pvt Ltd	11,338,644	3,520,268
		Aries Agro Produce Pvt Ltd	129,460	111,485
		Golden Harvest Middle East FZC	236,051,682	267,847,108
Creditors for Goods		Golden Harvest Middle East FZC	14,439,588	35,342,637
Share Application Money		Golden Harvest Middle East FZC	146,116,500	81,554,945
Sundry Debtors		Golden Harvest Middle East FZC	42,657,196	–
Sundry Debtors	Enterprise over which key management personnel has significant influence or control	Aries Marketing Ltd	16,840,616	11,837,267
Loans and Advances		Aries East West Nutrients Pvt. Ltd.	4,499,536	4,499,536
Due to / From Directors	Key Management	Dr. T. B Mirchandani	–	453,425
		Dr. Jimmy Mirchandani	3,035,200	722,406
		Dr. Rahul Mirchandani	3,056,303	334,528
Unsecured Loans		Dr. Jimmy Mirchandani	–	1,700,000
Loans and Advances	Enterprises in which the key Management Persons have total control	Mirabelle International	2,157,138	2,157,138

11. Remuneration to Directors

Remuneration paid to Chairman & Managing Director and Executive Director is within the limits laid down under Schedule XIII to the Companies Act, 1956 and included in the Profit and Loss Account, as Directors Remuneration.

Managerial Remuneration u/s. 198 of the Companies Act, 1956

Particulars	Year Ended 31 st March 2010	Year Ended 31 st March 2009
Salaries and Allowances	7,259,895	8,870,176
Contribution to P. F.	607,800	645,533
Commission payable to Directors	5,500,000	–

(Net profit as determined u/s 349 of Companies Act, 1956 is Rs. 1,969.55 Lacs)

12. Auditors Remuneration

Particulars	Year Ended 31 st March 2010	Year Ended 31 st March 2009
a. Statutory Audit fees	1,147,120	1,118,450
b. Tax Audit fees	220,600	223,690
c. Taxation Matters	58,708	150,276
d. Certification	–	11,236

13. Foreign Exchange Earnings & Outgo:

Earnings in Foreign Exchange	Year Ended 31 st March 2010	Year Ended 31 st March 2009
F.O.B. Value of export sales	41,495,891	2,742,118
Expenditure in Foreign Exchange	Year Ended 31 st March 2010	Year Ended 31 st March 2009
CIF value of Imports	218,190,118	427,417,500
Foreign Traveling Expenses	2,966,889	324,327
Remittance towards Share Application Money to Golden Harvest Middle East FZC	80,656,500	—

14. Outstanding Dues of SSI Units

The Company has no information as to whether any of its suppliers constitute small scale/ancillary undertakings and therefore the claims from suppliers and other related data under the "Interest on Delayed Payments to Small and Ancillary unit Act, 1993 " could not be ascertained.

15. (A) Additional information required under Part II of Schedule VI of the Companies Act, 1956 is as under:

(As certified by the management and relied upon by the Auditor)

Licensed Capacity : Not Applicable
 Installed Capacity : 84,600 Metric Tonnes
 (84,600 Metric Tonnes)
 (B) Actual Production : 35,647 Metric Tonnes
 (16,907 Metric Tonnes)

(C) Quantitative and Turnover information

Particulars	OPENING STOCK		PRODUCTION	Purchase of Traded Goods	CLOSING STOCK		TURNOVER	
	Quantity Kgs.	Value Rs.	Quantity Kgs.	Quantity Kgs.	Quantity Kgs.	Value Rs.	Quantity Kgs.	Value Rs.
Agricultural Micro Nutrient & Speciality Fertilizers								
Manufactured	1,901,586 (1,001,072)	130,430,850 (69,642,297)	35,242,439 (16,565,888)	-	1,797,824 (1,901,586)	122,527,006 (130,430,850)	35,346,201 (15,665,374)	838,472,107 (640,177,110)
Traded/Rebranded	2,028,585 (405,419)	77,147,101 (32,188,198)	-	5,434,280 (10,048,881)	2,802,311 (2,028,585)	177,965,652 (77,147,101)	4,660,554 (8,425,715)	331,089,103 (338,600,637)
Insecticides & Pesticides								
Manufactured	73,364 (234,339)	3,844,813 (5,258,744)	175,500 (134,033)	-	54,912 (73,364)	12,234,102 (3,844,813)	193,952 (295,008)	105,247,425 (82,891,661)
Rebranded	25,278 (15,872)	9,548,748 (6,410,902)	-	230,522 (79,913)	156,907 (25,278)	34,842,624 (9,548,748)	98,893 (70,507)	64,074,534 (39,440,320)
Animal Feed & Feed Concentrates	24,080 (26,197)	594,602 (910,684)	228,837 (207,045)	-	134,718 (24,080)	1,344,915 (594,602)	118,199 (209,162)	2,685,377 (3,332,154)
Others	-	-	-	396,592	49,074	1,506,590	347,518	55,892,727
Total	4,052,893 (1,682,899)	221,566,114 (114,410,825)	35,646,776 (16,906,966)	6,061,394 (10,128,793)	4,995,746 (4,052,893)	350,420,889 (221,566,114)	40,765,317 (24,665,766)	1,397,461,273 (1,104,441,882)

(Figures in bracket relate to previous year)

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(D) Consumption of Raw Materials

Description	Consumption (in kgs)	Value in Rs.
Inorganic Minerals	33,962,731 (13,340,092)	316,473,829 (130,685,921)
Organic Minerals	2,548,090 (3,847,750)	165,178,518 (37,962,913)
Total	36,510,822 (17,187,842)	481,652,346 (168,648,834)

(Figures in bracket relate to previous year)

Value of Imported and Indigenous materials consumed during the year.

Particulars	Year Ended 31 st March 2010		Year Ended 31 st March 2009	
	Rs.	%	Rs.	%
a) Imported	175,786,815	36.50	39,632,476	23.50
b) Indigenous	305,865,532	63.50	129,016,358	76.50
Total	481,652,346	100.00	168,648,834	100.00

Value of Imported and Indigenous materials traded during the year

Particulars	Year Ended 31 st March 2010		Year Ended 31 st March 2009	
	Rs.	%	Rs.	%
a) Imported	49,824,506	29.71	337,055,168	89.00
b) Indigenous	117,871,305	70.29	41,634,567	11.00
Total	167,695,811	100.00	378,689,735	100.00

16. Term Loans from HDFC (classified as unsecured) is secured against the personal assets of the directors.

17. Sundry Debtors include due from the Companies under the same management.

Name of the Party	Amount Rs.
Golden Harvest Middle East (Balance as on 31/03/2010)	42,657,196
Maximum balance outstanding during the year	42,657,196

18. Loans and Advances include due from the Companies under the same management

	Name of the Party	Amount Rs.
1	Aries East West Nutrients Private Limited (Balance as on 31/03/2010) Maximum balance outstanding during the year	4,499,536 4,499,536
2	Aries Marketing Limited (Balance as on 31/03/2010) Maximum balance outstanding during the year	16,840,616 16,840,616
3	Mirabelle International (Balance as on 31/03/2010) Maximum balance outstanding during the year	2,157,138 2,157,138
4	Aries Agro Equipments Pvt Ltd (Balance as on 31/03/2010) Maximum Balance outstanding during the year	11,338,644 11,569,123

	Name of the Party	Amount Rs.
5	Aries Agro Care Pvt Ltd (Balance as on 31/03/2010)	12,204,327
	Maximum Balance outstanding during the year	12,570,858
6	Aries Agro Produce Pvt Ltd (Balance as on 31/03/2010)	129,460
	Maximum Balance outstanding during the year	129,460
7	Golden Harvest Middle East (Balance as on 31/03/2010)	236,051,682
	Maximum Balance outstanding during the year	267,847,108

19. Loans & Advances includes the Custom Duty Refund awaited Rs. 2,493,152/-.
20. Margin for Bank Guarantees includes Rs. 2.95 Lacs being the amount of Fixed Deposits for issue of Bank Guarantees on behalf of Subsidiaries / Associates.
21. 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
Kirti D Shah
Proprietor
Membership No 32371
Place : Mumbai.
Date : 21st July, 2010

Dr. Jimmy Mirchandani
Chairman & Managing Director
Dr. D. S. Jadhav
Director
Mr. S. Ramamurthy
Chief Financial Officer

For and on Behalf of the Board

Dr. Rahul Mirchandani
Executive Director
Prof R S S Mani
Director

Mr. Akshay Mirchandani
Director
Mr. C. B. Chhaya
Additional Director
Mr. Kaiser P. Ansari
Company Secretary

**ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF
SCHEDULE VI OF THE COMPANIES ACT, 1956**

I Registration Details

Registration No.	: U99999MH1969PLC014465	Balance Sheet Date	: 31032010
State Code	: 11		

II Capital Raised during the year

Public Issue	: NIL	Rights Issue	: NIL
Bonus Issue	: NIL	Private Placement	: NIL

III Position of Mobilation & Deployment of Funds (Rupees in Lacs)

Total Liabilities	: 23356.89	Total Assets	: 23356.89
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Sources of Funds :

Paid-up Capital	: 1300.43	Reserves & Surplus	: 9343.95
Secured Loans	: 7847.35	Unsecured Loans	: 906.29
Net Deferred Tax Liability	: 148.84		

Application of Funds

Net Fixed Assets	: 3230.57	Capital Work in Progress	: 1572.78
Investments	: 1464.05	Net Current Assets	: 13279.48
Miscellaneous Expenditure	: NIL		

IV Performance of the Company (Rupees in Lacs)

Turnover	: 16068.11	Total Expenditure	: 14173.99
Profit Before Tax	: 1894.12	Profit After Tax	: 1256.03
Earnings Per Share (Rs.)	: 9.66	Dividend Rate (%)	: 15.00

V Generic Names of Principal Products

Item Code No. (ITC Code)	: 310500	Item Code No. (ITC Code)	: 380810
Product Description	Micronutrient Fertilizers	Product Description	Insecticides & Pesticides
Item Code No. (ITC Code)	: 230200	Item Code No. (ITC Code)	: 2503.0090
Product Description	Feed Supplements	Product Description	Other Plant Nutrients
Item Code No. (ITC Code)	: 2528.9020	Item Code No. (ITC Code)	: 2817.0010
Product Description	Other Plant Nutrients	Product Description	Other Plant Nutrients
Item Code No. (ITC Code)	: 2821.5990	Item Code No. (ITC Code)	: 2827.3990
Product Description	Other Plant Nutrients	Product Description	Other Plant Nutrients
Item Code No. (ITC Code)	: 2833.2990	Item Code No. (ITC Code)	: 2840.1900
Product Description	Other Plant Nutrients	Product Description	Other Plant Nutrients
Item Code No. (ITC Code)	: 084248100		
Product Description	Appliances for Agricultural or Horticultural Use		

As per our report of even date

For Kirti D Shah & Associates

Chartered Accountants

Kirti D Shah

Proprietor

Membership No 32371

Place : Mumbai.

Date : 21st July, 2010

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Director

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Additional Director

Mr. Qaiser P. Ansari
Company Secretary

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Name of the Subsidiary Company	Financial Year ending of the subsidiary	No. of Equity Shares held	Extent Of Holding	For financial year of the subsidiary		For the previous financial years since it became a subsidiary	
				Profit/ (Losses) so far it concerns the members of the holding company and not dealt with in the books of account of the holding company (except to the extent dealt with in col.6)	Profits/ (Losses) so far it concerns the members of the holding company and not dealt with in the books of account of the holding company (except to the extent dealt with in col.8)	Profits/ (Losses) so far it concerns the members of the holding company and not dealt with in the books of account of the holding company (except to the extent dealt with in col.8)	Profits/ (Losses) so far it concerns the members of the holding company and not dealt with in the books of account of the holding company (except to the extent dealt with in col.8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Aries Agro Care Pvt. Ltd.	31 st March, 2010	10,000	100%	4.67	NIL	(5.16)	NIL
Aries Agro Equipments Pvt. Ltd.	31 st March, 2010	10,000	100%	13.06	NIL	NIL	NIL
Aries Agro Produce Pvt. Ltd.	31 st March, 2010	7,500	75%	NIL	NIL	NIL	NIL
Golden Harvest Middle East (FZC)	31 st March, 2010	1,125	75%	343.76	NIL	400.49	NIL

As per our report of even date
For Kirti D Shah & Associates
Chartered Accountants
Kirti D Shah
Proprietor
Membership No 32371
Place : Mumbai.
Date : 21st July, 2010

For and on Behalf of the Board
Dr. Jimmy Mirchandani
Chairman & Managing Director
Dr. D. S. Jadhav
Director
Mr. S. Ramamurthy
Chief Financial Officer

Dr. Rahul Mirchandani
Executive Director
Prof R S S Mani
Director
Mr. Akshay Mirchandani
Director
Mr. C. B. Chhaya
Additional Director
Mr. Qaiser P. Ansari
Company Secretary

**AUDITORS REPORT ON CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS
ARIES AGRO LIMITED**

i. We have audited the attached Consolidated Balance Sheet of **ARIES AGRO LIMITED (The Company)** and its subsidiaries, **ARIES AGRO CARE PVT. LTD., ARIES AGRO EQUIPMENTS PVT. LTD., ARIES AGRO PRODUCE PVT. LTD. And GOLDEN HARVEST MIDDLE EAST FZC** collectively referred to as the "**ARIES GROUP**" or "**The Group**" as at 31st March, 2010 and also the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement of THE GROUP for the period ended on that date annexed thereto. These financial statements are responsibility of the ARIES GROUP management and have been prepared by the management on the basis of separate financial statements and other financial information. Our responsibility is to express an opinion on these financial statements based on our audit.

ii. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes

- (a) examining, on a test basis, evidence to support the financial statement amounts and disclosures in the financial statement
- (b) assessing the accounting principles used in the preparation of financial statements
- (c) assessing significant estimates made by the management in the preparation of the financial statements and
- (d) evaluating overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

iii. We did not audit the financial statements of the subsidiary company **GOLDEN HARVEST MIDDLE EAST FZC**, whose financial statements reflect total assets of AED 44,963,327 as at 31st March 2010, the total revenue of AED 20,141,653 and cash flows

amounting to AED 151,904 for the period then ended. These financial statements and other financial information have been audited by other auditors whose report has been furnished to us, and our opinion is based solely on the report of other auditors.

iv. We report that the consolidated financial statements have been prepared by the ARIES GROUP management in accordance with the requirement of Accounting Standards (AS) 21, Consolidated Financial Statements and Accounting Standards (AS) 23, Accounting For Investments in Associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.

Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- i. in the case of the Consolidated Balance Sheet, of the state of affairs of the "**ARIES GROUP**" as at 31st March, 2010, and
- ii. in the case of the Consolidated Profit and Loss Account, of the profit for the period ended on that date.
- iii. in the case of the Consolidated Cash Flow Statement, of the cash flows for the period ended on that date.

For Kirti D. Shah & Associates
Chartered Accountants

Kirti D. Shah
Proprietor

Place: Mumbai

Date:- 21st July, 2010

Membership No. 32371

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	Schedule No.	As at 31 March 2010 Rupees	As at 31 March 2009 Rupees
I. SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
(a) Share Capital	1	130,043,390	130,043,390
(b) Reserves and Surplus	2	1,006,029,335	906,477,928
		1,136,072,725	1,036,521,306
MINORITY INTEREST	3		
(a) Equity		24,517,061	26,558,861
(b) Non - Equity		25,021,774	13,593,132
		49,538,835	40,151,993
LOAN FUNDS			
(a) Secured Loans	4	787,093,231	650,414,799
(b) Unsecured Loans	5	90,628,878	54,771,446
		877,722,109	705,186,245
DEFERRED TAX LIABILITY / (ASSET)		14,883,932	4,344,054
TOTAL		2,078,217,600	1,786,203,597
II. APPLICATION OF FUNDS			
FIXED ASSETS			
(a) Gross Block	6	490,401,757	447,231,098
(b) Less :- Depreciation		94,218,318	71,589,460
		396,183,439	375,641,638
CAPITAL WORK IN PROGRESS	7	157,277,529	192,131,208
INVESTMENTS	8	14,708,236	16,635,664
CURRENT ASSETS, LOANS & ADVANCES			
(a) Inventories	9	558,983,802	544,523,138
(b) Sundry Debtors	10	662,206,610	561,524,403
(c) Cash & Bank Balances	11	71,412,467	15,758,361
(d) Loans and Advances	12	589,143,274	398,042,965
		1,881,746,154	1,519,848,868
Less: CURRENT LIABILITIES AND PROVISIONS			
(a) Current Liabilities	13	316,376,960	301,959,260
(b) Provisions		59,365,713	21,170,223
		375,742,673	323,129,483
NET CURRENT ASSETS		1,506,003,480	1,196,719,384
MISCELLANEOUS EXPENDITURE	14	4,044,916	5,075,702
Pre-Operative Expenses (To the extent not written off or adjusted)			
TOTAL		2,078,217,600	1,786,203,597
NOTES TO THE ACCOUNTS	21		

As per our report of even date
For Kirti D Shah & Associates
Chartered Accountants
Kirti D Shah
Proprietor
Membership No 32371
Place : Mumbai.
Date : 21st July, 2010

Dr. Jimmy Mirchandani
Chairman & Managing Director

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Mr. Qaiser P. Ansari
Company Secretary

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CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	Schedule No.	Year Ended 31 March 2010 Rupees	Year Ended 31 March 2009 Rupees
I. INCOME			
(a) Sales		1,524,400,662	1,130,828,002
(b) Other Income	15	30,495,548	9,663,334
(c) Increase/(Decrease) in Stock	16	200,395,836	59,370,035
Total Revenue		1,755,292,045	1,199,861,371
II. EXPENDITURE			
(a) Consumption of Materials	17	854,638,341	522,443,394
(b) Manufacturing Expenses	18	88,585,646	84,679,970
(c) Interest and Financial Charges		80,134,009	59,042,876
(d) Payment to & for Employees	19	122,451,527	97,021,739
(e) Administration & Other Expenses	20	346,334,357	347,019,620
(f) Amortisations		1,031,276	256,844
(g) Depreciation		23,558,987	13,202,814
		1,516,734,143	1,123,667,258
III. Profit Before Tax (PBT)		238,557,903	76,194,113
IV. Provision for Taxation			
(i) Income tax			
Current Tax		53,695,000	8,300,000
Deferred Tax		10,539,877	7,765,045
(ii) Fringe Benefit tax		—	2,817,400
(iii) Wealth tax		500,000	200,000
		64,734,877	19,082,445
V. Profit After Tax (PAT)		173,823,026	57,111,668
Less :- Share of Profit transferred to Minority Interest		11,458,758	6,637,848
VI. Profit After Tax (After adjustment for Minority Interest)		162,364,268	50,473,820
Less :- Prior Period Expenses		13,211,626	—
Less :- Short Provision for Tax in Earlier Years		982,296	18,280,761
VII. Balance brought forward from Previous Year		295,141,549	262,948,490
VIII. Amount available for Appropriations		443,311,895	295,141,549
IX. Appropriations			
Transfer to General Reserve		15,000,000	—
Proposed Dividend		19,506,509	—
Tax on Proposed Dividend		3,239,790	—
X. Balance carried to Balance Sheet		405,565,596	295,141,549
NOTES TO THE ACCOUNTS	21		

As per our report of even date
For Kirti D Shah & Associates
Chartered Accountants
Kirti D Shah
Proprietor
Membership No 32371
Place : Mumbai.
Date : 21st July, 2010

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Additional Director
Mr. Qaiser P. Ansari
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs. in lakhs)

Particulars	Year Ended 31 March, 2010 Rupees	Year Ended 31 March, 2009 Rupees
A) Cash Flow from Operating Activities :-		
Net Profit Before Tax and Extraordinary Items	2,385.58	761.94
Adjustments for :-		
Depreciation	235.59	132.03
Proposed Dividend / Dividend Distribution Tax	(227.46)	-
Miscellaneous Expenses Written Off	10.31	-
Income Tax & Fringe Benefit Tax paid	(541.95)	(113.17)
Prior Period Taxes	(9.82)	(182.81)
Prior Period Expenses	(132.12)	-
Interest / Dividend being income from Investing Activities	(154.17)	(38.88)
Interest Expense being Cash Flow for Financing Activities	801.34	590.43
(Profit)/Loss on sale of Fixed Assets being Cash Flow on a/c of Investing Activities	20.42	4.34
Difference due to difference in Rates of Exchange	(154.08)	333.06
Cash Flow from Operations before Working Capital Changes	2,233.64	1,486.94
(Increase) / Decrease in Inventories	(144.61)	(3,012.04)
(Increase) / Decrease in Trade Receivables	(1,006.82)	(1,312.81)
(Increase) / Decrease in Loans & Advances	(1,911.00)	(1,032.39)
Increase / (Decrease) in Current Liabilities and Provisions	526.13	66.51
Cash Flow from Operating Activities	(302.66)	(3,803.79)
B) Cash Flow from Investing Activities :-		
Purchase of Fixed Assets, Capital Work In Progress & Advances on Capital A/c	(257.23)	(1,667.79)
Increase in Investments incl. Share Application Money	19.27	(34.90)
Proceeds on Sale of Fixed Assets	18.96	15.09
Interest Received	154.17	38.88
Cash Flow from Investing Activities	(64.82)	(1,648.71)
C) Cash Flow from Financing Activities :-		
Increase / (Decrease) in Borrowings	1,725.36	4,740.03
Interest Paid	(801.34)	(590.43)
Cash Flow from Financing Activities	924.02	4,149.60
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	556.54	(1,302.90)
Cash & Cash Equivalents at the Beginning of the Year	157.58	1,460.48
Cash & Cash Equivalents at the End of the Year	714.12	157.58

As per our report of even date

For Kirti D Shah & Associates

Chartered Accountants

Kirti D Shah

Proprietor

Membership No 32371

Place : Mumbai.

Date : 21st July, 2010

Dr. Jimmy Mirchandani
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Additional Director

Mr. Qaiser P. Ansari
Company Secretary

**SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED
BALANCE SHEET AS AT 31ST MARCH, 2010**

Particulars	As at 31 March, 2010 Rupees	As at 31 March, 2009 Rupees
SCHEDULE 1 - SHARE CAPITAL		
Authorised		
15,000,000 Equity Shares of Rs. 10/- each (Previous year 15,000,000 Equity Shares of Rs. 10/- each)	150,000,000	150,000,000
	150,000,000	150,000,000
Issued, Subscribed and Paidup		
13,004,339 Equity Shares of Rs.10/- each. The Capital includes 6,600,700 shares of Rs.10/- each issued as Bonus Shares	130,043,390	130,043,390
PER BALANCE SHEET	130,043,390	130,043,390
SCHEDULE 2 - RESERVES AND SURPLUS		
CAPITAL RESERVE		
(Created on acquisition of Stake in Golden Harvest middle East FZC)	565,681	565,681
	565,681	565,681
FOREIGN CURRENCY TRANSLATION RESERVE		
Exchange Rate Difference on Consolidation	(5,224,374)	17,843,833
	(5,224,374)	17,843,833
GENERAL RESERVE		
Balance b/f	17,956,310	—
Add : Transfer from Profit & Loss A/c	15,000,000	17,956,310
	32,956,310	17,956,310
SHARE PREMIUM		
Balance b/f	490,037,050	490,037,050
	490,037,050	490,037,050
REVALUATION RESERVE		
Balance b/f	84,933,505	87,737,938
Less : Depreciation on Revalued assets	2,804,433	2,804,433
	82,129,072	84,933,505
PROFIT & LOSS ACCOUNT (as per annexed a/c)	405,565,596	295,141,549
	405,565,596	295,141,549
PER BALANCE SHEET	1,006,029,335	906,477,928
SCHEDULE 3 - MINORITY INTEREST		
Minority Interest - Original		
a) Minority Interest in Equity		
375 shares of AED 100 each held by Minority Interest and current account of Shareholders	24,517,061	26,558,861
	24,517,061	26,558,861
b) Minority Interest in Non-Equity		
Balance b/f	13,593,132	6,900,117
Add/(Less) :- Translation difference	(30,116)	55,167
PROFIT & LOSS ACCOUNT (as per annexed a/c)	11,458,758	6,637,848
	25,021,774	13,593,132
PER BALANCE SHEET	49,538,835	40,151,993

Particulars	As at 31 March, 2010 Rupees	As at 31 March, 2009 Rupees
SCHEDULE 4 - SECURED LOANS		
Term Loans		
FROM BANKS	29,193,633	48,823,904
(Against charge created on Company's Asset i.e.Motor vehicles) Repayable within one year Rs. 15,304,279/- (Previous year Rs. 32,741,821/-)		
FROM BANKS - ICICI BANK BAHRAIN	239,005,728	271,186,230
(Foreign Currency Loan - Secured against Equitable Mortgage of Land and Building and personal guarantee of Directors) Repayable within one year Rs. 9,589,736/- (Previous year Rs. 834,416/-)		
FROM COMPANY	295,152	—
(Against charge created on Company's Asset i.e.Motor vehicles) Repayable within one year Rs. 53,715/- (Previous year Rs. NIL)		
Cash Credit/Overdraft/Working Capital Demand Loan (WC DL)/Buyers Credit		
FROM BANKS		
HDFC BANK - BUYERS CREDIT	30,290,823	33,522,108
(Against charge created on Company's Inventory, Book Debts and Plant & Machinery and guaranteed by Directors)		
ICICI BANK - BUYERS CREDIT	38,281,591	42,858,099
(Against charge created on Company's Inventory, Book Debts and Plant & Machinery and guaranteed by Directors)		
INDIAN OVERSEAS BANK - CASH CREDIT	—	81,333,162
(Against charge created on Company's Inventory, Book Debts and Plant & Machinery and guaranteed by Directors)		
HDFC BANK - WC DL	100,000,000	86,329,105
(Against charge created on Company's Inventory, Book Debts and Plant & Machinery and guaranteed by Directors)		
ICICI BANK - CASH CREDIT	119,635,438	86,362,191
(Against charge created on Company's Inventory, Book Debts and Plant & Machinery and guaranteed by Directors)		
CANARA BANK - CASH CREDIT	135,394,748	—
(Against charge created on Company's Inventory, Book Debts and Plant & Machinery and guaranteed by Directors)		
YES BANK - WC DL / BILL DISCOUNTING	94,996,118	—
(Against charge to be created on Company's Inventory, Book Debts and Plant & Machinery and guaranteed by Directors)		
PER BALANCE SHEET	787,093,231	650,414,799
SCHEDULE 5 - UNSECURED LOANS		
(i) FROM BANKS		
HDFC BANK (Guaranteed by Directors)	45,329,747	30,555,671
Secured by their personal Assets Repayable within one year Rs. 11,635,902/- (Previous year Rs. 3,254,319/-)		
(ii) FROM SHARE HOLDERS	—	381,000
Interest Accrued & Due on Above	—	4,758
(iii) LOAN FROM DIRECTORS	—	1,700,000
(iv) SECURITY DEPOSIT - TRADE	45,299,131	22,130,017
PER BALANCE SHEET	90,628,878	54,771,446

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Particulars	As at 31 March, 2010 Rupees	As at 31 March, 2009 Rupees
SCHEDULE 6 - FIXED ASSETS		
Gross block	490,401,757	447,231,098
Less: Depreciation (As per Separate Statement attached)	94,218,318	71,589,460
PER BALANCE SHEET	396,183,439	375,641,638
SCHEDULE 7 - CAPITAL WORK IN PROGRESS	157,277,529	192,131,208
PER BALANCE SHEET	157,277,529	192,131,208
SCHEDULE 8 - INVESTMENTS		
A. Investments in Government or Trust Securities		
National Saving Certificates (Deposited with BMC for plot at Deonar, Mumbai and for S.S.I. Registration deposited with Industrial Department, Hyderabad)	13,000	13,000
B. Unquoted Investments at Cost		
TRADE		
Investment in Subsidiaries		
a) In Shares of Mapco Fertilizers FZC 25 Equity Shares of AED 48000/- each	14,695,236	16,622,664
PER BALANCE SHEET	14,708,236	16,635,664
SCHEDULE 9 - INVENTORIES		
(At lower of cost or Net Realisable Value) Certified and valued by the Management)		
Finished / Traded Goods	379,498,107	236,852,403
Finished / Traded Goods-in-Transit	2,826,250	-
Raw Materials	93,493,380	226,425,529
Packing Materials	83,166,065	81,011,034
Raw Materials Goods-in-Transit	-	234,172
PER BALANCE SHEET	558,983,802	544,523,138
SCHEDULE 10 - SUNDRY DEBTORS		
Unsecured - Considered Good		
Outstanding for a period exceeding six months	268,987,349	247,610,597
Others	393,219,261	313,913,806
PER BALANCE SHEET	662,206,610	561,524,403

**ANNEXURE TO SCHEDULE '6'
CONSOLIDATED SCHEDULE OF FIXED ASSETS FOR THE YEAR ENDED 31ST MARCH, 2010**

Sr. No.	Particulars	Gross Block				Depreciation Block				Net Block		
		Balance as on 31-Mar-09	Additions during the Year	Deductions During the Year / Adjustment on A/c of Exchange Rate	Balance as on 31-Mar-10	Balance as on 31-Mar-09	Provided during the Year	On Revaluations	Deductions during the Year / Adjustment on A/c of Exchange Rate	Total As on 31-Mar-10	As on 31-Mar-10	As on 31-Mar-09
1	Land	1,514,775	-	-	1,514,775	-	-	-	-	-	1,514,775	1,514,775
2	Factory Building	249,822,631	1,516,113	4,190,635	247,148,109	32,951,883	2,361,645	2,804,433	203,903	37,914,058	209,234,051	216,870,748
3	Residential Flat	350,000	-	-	350,000	70,257	5,705	-	-	75,962	274,038	279,743
4	Plant & Machinery	92,475,139	923,415	6,087,522	87,311,032	11,816,423	7,726,699	-	610,713	18,932,409	68,378,624	80,658,716
5	Electrical Installations	4,525,385	194,000	-	4,719,385	791,864	187,599	-	-	979,463	3,739,922	3,733,521
6	Laboratory Equipments	1,719,060	284,540	-	2,003,600	317,366	79,536	-	-	396,902	1,606,698	1,401,694
7	Office Equipments	2,813,469	786,952	165,374	3,435,047	1,325,743	233,165	-	81,239	1,477,669	1,957,378	1,487,726
8	Furniture & Fixtures	14,719,870	1,608,279	87,301	16,240,848	1,567,788	890,433	-	32,840	2,425,381	13,815,467	13,152,082
9	Air Conditioners	2,491,179	171,400	-	2,662,578	1,350,754	48,216	-	-	1,398,970	1,263,608	1,140,425
10	Computer	20,301,811	188,740	-	20,490,551	6,079,032	2,999,333	-	-	9,078,365	11,412,186	14,222,779
11	Vehicles	48,900,445	17,805,526	6,874,824	59,831,147	14,694,786	5,235,978	-	2,805,865	17,124,899	42,706,248	34,205,660
12	Commercial Vehicles	7,597,335	37,097,350	-	44,694,685	623,563	3,790,678	-	-	4,414,241	40,280,444	6,973,772
	Total	447,231,098	60,576,314	17,405,656	490,401,757	71,589,460	23,558,987	2,804,433	3,734,561	94,218,318	396,183,439	375,641,639
	Previous Year Rs.	318,698,539	134,138,314	5,605,755	447,231,098	56,659,324	13,202,814	2,804,433	1,077,112	71,589,460	375,641,638	262,039,215

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SCHEDULE 11 - CASH AND BANK BALANCES

Cash on hand	54,599	56,417
With Scheduled Banks on Current Account	71,357,868	15,701,944

PER BALANCE SHEET

71,412,467	15,758,361
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SCHEDULE 12 - LOANS & ADVANCES

Unsecured - Considered Good

Loans & Advances

Advances recoverable in cash or in kind or for value to be received		
- to Companies under same management in which Directors are interested	202,256,056	227,883,774
- Margins for Letter of Credit	9,290,616	5,241,655
- Margins for Bank Guarantees	2,034,625	2,606,312
- Advances to Suppliers	160,938,659	130,773,033
- Advances to Staff Against Expenses	3,937,911	5,364,973
- Amount recoverable from Directors	-	453,425
- Advance Rent	37,375	-
- Fixed Deposits with Banks	20,000	-
Staff Loans	841,675	1,488,713
Sundry Deposits	5,806,420	10,033,417
Imprest Advance for Vehicle Expenses	260,813	20,000
Share Application Money (Amarak Chemicals FZC)	185,380,243	-
Tax Refunds	2,494,502	2,521,226
Interest Accrued but not Due	32,786	36,839
Advance Income Tax / Tax Deducted at Source	9,176,774	1,721,566
Other Advances	3,494,736	-
Pre-paid Expenses	3,095,082	2,634,600
Funds In Transit	-	7,263,432
MAT Credit Entitlement	45,000	-

PER BALANCE SHEET

589,143,274	398,042,965
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SCHEDULE 13 - CURRENT LIABILITIES AND PROVISIONS

Sundry Creditors

(a) For Goods	159,467,507	206,595,064
(b) For Expenses	121,608,531	62,201,287
(c) Book Overdrafts	-	121,890
(d) Advances from Customers	27,669,861	31,000,599
(e) Due to Directors	6,091,503	356,934
(f) Interest Accrued but not Due	1,539,558	1,683,487
	316,376,960	301,959,260

Provisions :

For Taxation		
Income Tax	55,522,175	13,082,175
Fringe Benefit Tax	103,748	7,720,648
Wealth Tax	500,000	367,400
Dividend Distribution Tax	3,239,790	-
	59,365,713	21,170,223

PER BALANCE SHEET

375,742,673	323,129,483
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SCHEDULE 14 - MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Pre-Operative Expenses		
Balance B/f	5,075,702	4,411,812
Add :- Additions during the Year	25,490	920,734
	5,101,192	5,332,546
Less : Sales Tax Deposit transferred	25,000	-
Less :- 1/5 th Written Off to Profit & Loss Account	1,031,276	256,844

PER BALANCE SHEET

4,044,916	5,075,702
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**SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

Particulars	Year Ended 31 March, 2010 Rupees	Year Ended 31 March, 2009 Rupees
SCHEDULE 15 - OTHER INCOME		
Commission on Sales	980,306	1,041,445
Contract Penalty	-	2,686,780
Exchange Rate Fluctuation	10,554,580	-
Exchange Rate Difference due to Translation	3,222,471	1,543,495
Interest Income	15,416,802	3,888,460
Misc. / Other Income	321,389	503,153
PER PROFIT AND LOSS ACCOUNT	30,495,548	9,663,334
SCHEDULE 16 - INCREASE / (DECREASE) IN STOCK		
Closing Stock of Finished Goods	332,751,346	135,181,760
Add : Closing Stock of Goods-in-Transit	2,826,250	-
Less : Opening Stock of Finished Goods	135,181,760	75,811,725
PER PROFIT AND LOSS ACCOUNT	200,395,836	59,370,035
SCHEDULE 17 - MATERIALS CONSUMED		
1) Opening Stock of Raw Materials	225,168,149	63,296,747
Add : Raw Materials Goods in Transit	220,593	26,836,691
Add : Purchases	282,750,718	351,298,666
	508,139,461	441,432,104
Less : Closing Stock of Raw Materials	97,065,512	226,425,529
	411,073,949	215,006,574
Less: Raw Materials Goods-in-Transit	-	234,172
Raw Material Consumed	411,073,949	214,772,403
2) Opening Stock of Packing Materials	81,004,589	38,775,175
Add : Purchases	92,384,671	91,934,206
	173,389,260	130,709,381
Less : Closing Stock of Packing Materials	83,183,540	81,011,034
Packing Material Consumed	90,205,719	49,698,347
3) Traded / Re-Branded Products		
a) Plant Nutrients		
Opening Stock	86,072,500	32,188,198
Add : Purchases	218,150,677	285,450,578
	304,223,177	317,638,776
Less : Closing Stock	9,346,249	86,621,895
Plant Micronutrients Traded	294,876,928	231,016,881

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Particulars	Year Ended 31 March, 2010 Rupees	Year Ended 31 March, 2009 Rupees
b) Insecticides		
Opening Stock	9,548,748	6,410,902
Add : Purchases	61,896,888	29,363,196
	71,445,636	35,774,098
Less : Closing Stock	34,842,624	9,548,748
Insecticides Traded	36,603,012	26,225,350
c) Equipments		
Opening Stock	-	-
Add : Purchases	14,508,892	-
	14,508,892	-
Less : Closing Stock	3,976,278	-
Equipments Traded	10,532,614	-
d) Seeds		
Opening Stock	-	-
Opening Stock - Goods-in-Transit	5,500,000	-
Add : Purchases	5,846,120	6,230,414
	11,346,120	6,230,414
Less : Closing Stock - Goods-in-Transit	-	5,500,000
Seeds Traded	11,346,120	730,414
Traded / Rebranded Products (a+b+c+d)	353,358,673	257,972,645
Consumption of Materials (1+2+3)	854,638,341	522,443,394
SCHEDULE 18 - MANUFACTURING EXPENSES		
Consumables	4,555,534	9,599,812
Excise Duty / Education Cess	15,796,378	16,139,565
Freight Inward	16,226,908	12,290,058
General Expenses - Factory	1,639,841	2,069,336
Power & Fuel	8,312,986	7,690,484
Processing Charges	7,516,391	6,069,707
Rent Factory & Godown	8,087,043	7,814,547
Repairs - Factory	1,654,301	1,888,230
Wages	24,796,264	21,118,231
PER PROFIT AND LOSS ACCOUNT	88,585,646	84,679,970

Particulars	Year Ended 31 March, 2010 Rupees	Year Ended 31 March, 2009 Rupees
SCHEDULE 19 - PAYMENT TO & FOR EMPLOYEES		
Allowances	7,984,065	4,991,875
Bonus	2,898,050	3,842,406
Directors Remuneration	13,570,195	9,763,209
Funds/Contribution	12,601,919	10,818,822
Perks/Expenses	1,274,379	847,634
Salary	78,844,946	60,713,192
Staff Welfare Expenses	4,767,762	5,299,734
Training & Recruitment Expenses	510,211	744,867
PER PROFIT AND LOSS ACCOUNT	122,451,527	97,021,739
SCHEDULE 20 - ADMINISTRATION, SELLING & OTHER EXPENSES		
Selling Costs		
Advertisement & Publicity	31,877,308	9,212,093
Business Promotion Expenses	374,809	-
Discount and Selling Expenses	124,698,841	154,073,002
Freight & Delivery Expenses	67,239,813	60,754,860
Mobile Selling Expenses (KVV)	24,078,321	-
Selling Expenses	5,389,436	3,772,820
Travelling Expenses	39,202,345	37,475,979
	292,860,872	265,288,754
Other Administration Expenses		
Auditors Remuneration	1,550,406	1,432,142
Conveyance & Motor Car Expenses	13,283,353	11,911,692
Electricity	633,493	831,355
Exchange Rate Fluctuation	-	33,288,304
General Expenses - Office	4,810,607	4,263,720
Insurance Charges	2,131,399	1,504,436
Legal & Professional Charges	4,586,997	5,121,498
Loss on Sale of Fixed Asset	2,042,277	434,407
Postage & Telephones	7,447,493	7,018,569
Printing & Stationary	9,748,817	10,466,006
Rent, Rates & Taxes	5,303,994	4,760,471
Repairs and Maintenance - Office	1,921,600	698,266
Write Offs	13,049	-
	53,473,485	81,730,866
PER PROFIT AND LOSS ACCOUNT	346,334,357	347,019,620

SCHEDULE: 21

NOTES TO ACCOUNTS

1. Significant Accounting Policies

A. Basis of Preparation of consolidated financial statements

The consolidated financial statements have been prepared and presented under the historical cost convention and materially comply with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 1956. All income and expenditure having material bearing on the consolidated financial statements have been recognized on the accrual basis.

B. Principles of consolidation

The consolidated financial statements include the financial statements of ARIES AGRO LTD. (The Company), the parent company and four of its subsidiaries (collectively referred to as “**ARIES GROUP**” or “**The Group**”).

The consolidated financial statements have been prepared on the basis of AS 21 – Consolidated Financial Statements, AS 23 – Accounting for Investments in Associates in Consolidated Financial Statements, issued by ICAI.

Subsidiaries

The financial statements of the parent company and its subsidiaries have been combined on a line -by- line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra group balances/transactions and resulting unrealized profits, if any, in full.

Consolidated financial statements have been prepared using uniform accounting policies for transactions and other events in similar circumstances except where it is not practicable to do so and in case of the Investment and Fixed assets by foreign subsidiary have been consolidated after translating the same at closing rate as per provisions of Accounting Standard (AS) - 11 relating to “The Effects of Changes in Foreign Exchange Rates” issued by Institute of Chartered Accountants of India.

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its independent financial statements.

C. Use of Estimates

The preparation of consolidated financial statements is in conformity with generally accepted accounting principles which require the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

D. Fixed Assets and Depreciation

- a) Fixed Assets are stated at cost of acquisition / construction / revaluation less accumulated depreciation
- b) Depreciation on fixed assets for Indian operations is provided on straight line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.
- c) Depreciation for Indian operations on building to the extent of revalued amount has been debited to Revaluation Reserve account.
- d) On assets acquired during the year and assets sold during the year the depreciation has been provided pro rata for the period used.

- e) The cost of property, plant & equipment for subsidiary "Golden Harvest Middle East FZC" 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:

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

E. Investments

Investments are stated at cost.

F. Inventories

- a) Raw Material, Packing Material, Stores, Spares and Stock-in-Transit valued at cost.
- b) Finished Goods are valued at cost or market value whichever is lower. The cost includes cost of production and expenses incurred in putting the inventories in their present location and condition.
- c) Waste and scrap are not separately valued being insignificant in value

G. Revenue Recognition

- a) Revenue from sale of goods is recognized when the goods are handed over to the customer or his duly authorized agent
- b) Sales are accounted net of sales tax recovered, sales returns, trade discounts, rebates and allowances but include duties wherever applicable. (Though, quantity discounts, incentive discounts are debited to Profit & Loss A/c. directly.)

H. Employee Benefits

- a) Bonus is accounted on accrual basis
- b) Gratuity is covered under the Group Gratuity scheme of Life insurance Corporation of India.
- c) All employees are eligible for benefit under provident fund (PF) scheme. Provident Fund of 12% covered employees basic salary plus dearness allowance wherever applicable is deducted and paid alongwith company's contribution of an equal amount on a monthly basis to the government administered provident fund scheme and charged to profit and loss account.

I. Earning Per Share

Basic earning per Share is 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.

J. Impairment of Assets

The carrying amount of the Company's Assets are reviewed at each balance sheet date if any indication of any impairment exists, an impairment loss is recognized to the extent of the excess of the carrying amount over the estimated accountable amount.

K. Foreign Currency Transactions

- a) 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.

- b) 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.
- c) For the purpose of consolidation the company has provided interest accrued but not due on the loan given to its Subsidiary amounting to Rs. 1,097,820/- however the said subsidiary namely Golden Harvest Middle East FZC has provided only to the tune of Rs. 401,425/- in their books of accounts.

L. 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 112,500 AED towards Equity they have been classified under Equity and the balance 12,171,750 AED is presently categorized under Shareholders Current Account.	UAE

2. Current Assets, Loans & 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 reasonably necessary.
- c) The balances of sundry creditors, sundry debtors and loans and advances are subject to confirmation.

3. Gratuity

Indian Operations:

The company has opted for Life Insurance Corporation of India's Group Gratuity Scheme for its employees. The scheme offered by the Life Insurance Corporation of India permits the Company for payment of arrears in five yearly installments commencing from 1st December, 2005. The total contribution payable including arrears as per Life Insurance Corporation of India as on 31/03/2010 is Rs. 25,900,077/-. During the year the Company has paid Rs 3,879,534/- (Previous year Rs.1, 037,662/-) towards Gratuity fund. The unprovided liability as on 31/03/2010 is Rs.NIL (Previous year Rs. 13,211,626/-). The details of Contribution to Gratuity Fund are as under:

- a) Present value of obligations as on 31/03/2010 is Rs. 25,900,077/-.
- b) Fair value of plan assets as on 31/03/2010 is Rs. 9,850,079/-.
- c) Provisions made (fully) as on 31/03/2010 is Rs. 16,049,998/-.

UAE Operations:

The liability to employees is fully provided for in the accounts.

4. Leave encashment

As per the policy of the Company, only Managerial staff is entitled to encash their annual leave. The same is accounted for on cash basis. The liability is unascertainable.

5. Contingent liability not provided for in the accounts:

- Letters of credit / guarantee Rs. 634.90 lakhs
- Claims against company not acknowledged as debts Rs. 51.84 lakhs which includes tax dues disputed as Rs 10.51 lakhs towards Sales Tax, Rs. 14.73 lakhs towards Income Tax and includes Rs. 25.51 lakhs pertaining to pending suits regarding quality issue.
- The Commissioners of Central Excise, Mumbai and Hyderabad had issued Show Cause-Cum-Demand Notices for levy of Excise Duty on clearances of Micronutrients amounting to Rs.8.02 Crores. 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. The Department has preferred appeals against the said orders. The Department has issued Show Cause Notices to the Company in respect of clearances thereafter. Though, in view of the Orders referred to above and the pending appeals, no action has been taken. The Company expects no liability in this regard.
- Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of Advances) is Rs 420.38 Lakhs.

6. Income tax

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the company. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profit offered for income tax and profit as per financial statements.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted on the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date.

7. Deferred Tax: Accounting Standard - 22

Sr No	Particulars Current	Year Ended 31st March,2010	Year Ended 31st March,2009
1	Opening Deferred Tax Liability as on 1st April, 2009		
	a. Deferred tax liability on account of depreciation	4,344,054	NIL
	b. Deferred tax asset	NIL	(3,420,991)
	Total (a)	4,344,054	(3,420,991)
2	Deferred Tax Liability / (Assets) as on 31st Mar, 2010		
	a. Deferred tax liability on account of depreciation	21,690,767	14,785,257
	b. Deferred tax asset on account of issue expenses w/off	(6,806,835)	(10,210,252)
	c. Deferred tax asset on a/c of b/f losses	NIL	(230,951)
	d. Deferred tax liability / (assets)	14,883,932	4,344,054
	Total (b)	14,883,932	4,344,054
	Deferred tax liability / (asset) debited to profit & loss a/c Total (c) = (b-a)	10,539,877	7,765,045

Assumption:

All the expenses claimed (but allowable on the condition of payment U/s 43B) will be paid on or before "due date".

8. Earnings per Share

Particulars	Year Ended 31 st March 2010	Year Ended 31 st March 2009
Net Profit after tax as per Profit & Loss Account attributable to Equity Shareholders	162,364,268	50,473,820
Net Profit before exceptional items	162,364,268	50,473,820
Weighted Average number of Equity Shares used as denominator for calculating EPS	13,004,339	13,004,339
Basic & Diluted Earning per Share (Rs.)	12.49	3.88
Basic & Diluted Earning per share (Rs.) before exceptional items	12.49	3.88
Face Value per Equity Share	10	10

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9. Segmental Reporting as per Accounting Standard - 17

The company has only one reportable segment in terms of Accounting Standard – 17 issued by ICAI.

10. Related Party disclosure as per Accounting Standard – 18 issued by The Institute of Chartered Accountants of India.

PART – A

DETAILS OF RELATED PARTIES AS PER AS – 18

Nature of Relationship	Name of Related Party	Remarks	
Enterprises over which the key Management Persons has Significant Influence or Control	Aries Marketing Ltd. Blossoms International Ltd. Sreeni Agro Chemicals Pvt.Ltd. Aries East West Nutrients Pvt.Ltd.		
Key Management Personnel	Dr. Jimmy Mirchandani Dr. Rahul Mirchandani Mr. Akshay Mirchandani	Chairman & Managing Director Executive Director Director	
Relatives of Key Management Personnel	Name of Key Management Person	Name of Relative	Relationship
	Dr. Jimmy Mirchandani	Mrs. Sarasa Mirchandani Mr. Akshay Mirchandani Mr. Amol Mirchandani Dr. Rahul Mirchandani	Spouse Son Son Brother
	Dr. Rahul Mirchandani	Mrs. Nitya Mirchandani Master Armaan Mirchandani Dr. Jimmy Mirchandani	Spouse Son Brother
	Mr. Akshay Mirchandani	Mrs. Aparna Mirchandani Dr. Jimmy Mirchandani Mrs. Sarasa Mirchandani Mr. Amol Mirchandani	Spouse Father Mother Brother
Enterprises in which the key Management Persons have total control	Mirabelle International	Prop. Dr. Jimmy Mirchandani	

PART – B

DETAILS OF TRANSACTIONS WITH RELATED PARTIES

Sr. No.	Category	Nature of Service	Year Ended 31 st March 2010	Year Ended 31 st March 2009
1	Enterprise over which key management personnel has significant influence or control	Finance - Loans/Payment given	5,003,349	105,173
		Sales	-	1,661,088
		Receipts from sale of goods	-	1,765,000
2	Key Management Personnel	Finance – Unsecured Loans received	9,500,000	4,200,000
		Finance – Unsecured Loans repaid	11,200,000	2,500,000
		Directors Remuneration paid	13,367,695	9,515,709

PART – C

BALANCE OUTSTANDING WITH RELATED PARTIES.

Nature of out standing	Category	Name of the Party	Year Ended 31st March 2010	Year Ended 31st March 2009
Sundry Debtors	Enterprises over which key management personnel has significant influence or control	Aries Marketing Ltd	16,840,616	11,837,267
Loans and Advances		Aries East West Nutrients Pvt Ltd	4,499,536	4,499,536
Due to / From Directors	Key Management Personnel	Dr. T. B Mirchandani	–	(453,425)
		Dr. Jimmy Mirchandani	3,035,200	722,406
		Dr. Rahul Mirchandani	3,056,303	334,528
Unsecured Loans		Dr. Jimmy Mirchandani	–	1,700,000
Loans and Advances	Enterprises in which the key Management Persons have total control	Mirabelle International	2,157,138	2,157,138

11. Remuneration to Directors

Remuneration paid to Chairman & Managing Director and Executive Director is within the limits laid down under Schedule XIII to the Companies Act, 1956 and included in the Profit and Loss Account, as Directors Remuneration.

Managerial Remuneration u/s. 198 of the Companies Act, 1956

Particulars	Year Ended 31 st March 2010	Year Ended 31 st March 2009
Salaries and Allowances	7,259,895	8,870,176
Contribution to P. F.	607,800	645,533
Commission payable to Directors	5,500,000	-

(Net profit as determined u/s 349 of Companies Act, 1956 is Rs. 1,969.55 Lacs)

12. Auditors Remuneration

Particulars	Year Ended 31 st March 2010	Year Ended 31 st March 2009
a. Statutory audit fees	1,329,806	1,186,392
b. Tax audit fees	220,600	223,690
c. Taxation matters	58,708	150,276
d. Certification	-	11,236

13. Outstanding Dues of SSI Units

The Company has no information as to whether any of its suppliers constitute small scale/ancillary undertakings and therefore the claims from suppliers and other related data under the "Interest on Delayed Payments to Small and Ancillary unit Act, 1993 " could not be ascertained.

14. Term Loans from HDFC (classified as unsecured) is secured against the personal assets of the directors.

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15. Loans and Advances include due from the Companies under the same management

	Name of the Party	Amount Rs.
1	Aries East West Nutrients Private Limited (Balance as on 31/03/2010) Maximum balance outstanding during the year	4,499,536 4,499,536
2	Aries Marketing Limited (Balance as on 31/03/2010) Maximum balance outstanding during the year	16,840,616 16,840,616
3	Mirabelle International (Balance as on 31/03/2010) Maximum balance outstanding during the year	2,157,138 2,157,138

16. Loans & Advances includes the Custom Duty Refund awaited Rs. 2,493,152/-.
17. Margin for Bank Guarantees includes Rs. 2.95 Lacs being the amount of Fixed Deposits for issue of Bank Guarantees on behalf of Subsidiaries / Associates.
18. 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

Kirti D Shah

Proprietor

Membership No 32371

Place : Mumbai.

Date : 21st July, 2010

Dr. Jimmy Mirchandani
Chairman & Managing Director

Dr. D. S. Jadhav
Director

Mr. S. Ramamurthy
Chief Financial Officer

For and on Behalf of the Board

Dr. Rahul Mirchandani
Executive Director

Prof R S S Mani
Director

Mr. Akshay Mirchandani
Director

Mr. C. B. Chhaya
Additional Director

Mr. Kaiser P. Ansari
Company Secretary

AUDITOR'S REPORT

INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS

We have audited the accompanying financial statements of **Golden Harvest Middle East (FZC)**, ("the Company") Sharjah Airport International Free Zone, Sharjah, United Arab Emirates which comprise the balance sheet as at 31 March 2010, the income statement, statement of changes in shareholder's 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

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 circumstances.

AUDITOR'S 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 of 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 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 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 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)**, Sharjah Airport International Free Zone, Sharjah, United Arab Emirates as of 31 March 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

FRG CHARTERED ACCOUNTANTS

Place : Dubai

Habib Darwish Al Rahma

Date : May 15, 2010

Registration No. 342

BALANCE SHEET AT 31ST MARCH, 2010

PARTICULARS	Notes	2010 AED	2009 AED
ASSETS			
Non-current assets			
Property, plant and equipment	3	5,971,439	6,132,421
Investment in associates	4	1,200,000	1,200,000
		<u>7,171,439</u>	<u>7,332,421</u>
Current assets			
Inventories	5	6,236,842	2,274,345
Accounts receivable	6	150,000	4,036,325
Prepayments and other receivables	7	162,598	185,999
Amounts due from related parties	8	31,090,544	19,453,238
Cash and bank balances	9	151,904	846,119
		<u>37,791,888</u>	<u>26,796,026</u>
TOTAL ASSETS		<u>44,963,327</u>	<u>34,128,447</u>
LIABILITIES			
Shareholders' Funds			
Share capital	10	150,000	150,000
Shareholders' current accounts	11	14,134,250	5,701,739
Retained earnings		7,362,717	3,894,543
Reserve fund	12	75,000	75,000
		<u>21,721,967</u>	<u>9,821,282</u>
Non Current liabilities			
Provision for employees' terminal benefits	13	39,307	24,597
Term loans - non current portion	14	116,092	2,873
		<u>155,399</u>	<u>27,470</u>
Current liabilities			
Accounts payable and accruals	15	217,576	4,674,906
Amounts due to related parties	8	22,791,901	19,587,725
Term loans - current portion	14	76,484	17,064
		<u>23,085,961</u>	<u>24,279,695</u>
TOTAL LIABILITIES		<u>44,963,327</u>	<u>34,128,447</u>

The notes on pages 7 to 22 form part of these financial statements.

Place: Sharjah
Date : 15th May, 2010

For Golden Harvest Middle East (FZC)
Director

STATEMENT OF INCOME FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	Notes	2010 AED	2009 AED
INCOME			
Sales	16	20,066,528	20,409,669
Cost of sales	17	(14,986,198)	(17,153,274)
GROSS PROFIT		5,080,330	3,256,395
Other income	18	75,125	350,441
TOTAL INCOME		5,155,455	3,606,836
EXPENSES			
Administration, selling and general expenses	19	793,750	844,955
Finance charges	22	312,997	1,038,898
Depreciation	3	580,534	283,273
		1,687,281	2,167,126
Net profit for the year		3,468,174	1,439,710

The notes on pages 7 to 22 form part of these financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 31ST MARCH, 2010

Year to 31st March, 2010	Share capital AED	Shareholders' current accounts AED	Retained earnings AED	Reserve fund AED	Total AED
Balance at 1st April, 2009	150,000	5,701,739	3,894,543	75,000	9,821,282
Net profit for the year	-	-	3,468,174	-	3,468,174
Net movements in current accounts	-	8,432,511	-	-	8,432,511
Balance at 31st March, 2010	150,000	14,134,250	7,362,717	75,000	21,721,967
Balance at 1st April, 2008	150,000	787,539	2,454,833	75,000	3,467,372
Net profit for the year	-	-	1,439,710	-	1,439,710
Net movements in current accounts	-	4,914,200	-	-	4,914,200
Balance at 31st March, 2009	150,000	5,701,739	3,894,543	75,000	9,821,282

The notes on pages 7 to 22 form part of these financial statements.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

Particulars	2010 AED	2009 AED
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the year	3,468,174	1,439,710
Adjustment for:		
Depreciation	580,534	283,273
Provision for employees' terminal benefits	14,710	11,997
Operating profit before working capital changes	4,063,418	1,734,980
(Increase)/decrease in inventories	(3,962,497)	794,149
Decrease/(increase) in accounts receivable	3,886,325	(1,497,375)
Decrease/(increase) in prepayments and other receivables	23,401	(23,722)
(Increase) in amounts due from related party	(11,637,306)	(17,255,113)
(Decrease)/increase in accounts payable and accruals	(4,457,330)	1,585,246
Increase in amounts due to related party	3,204,176	5,029,526
Net cash (used in) operating activities	(8,879,813)	(9,632,309)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(419,552)	(6,349,694)
Decrease in capital work in progress	-	5,065,511
Net cash (used in) investing activities	(419,552)	(1,284,183)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movement in current accounts	8,432,511	4,914,200
Net movement in share application money	-	(6,000,000)
Increase/(decrease) in term loans	172,639	(17,065)
Net cash from/(used) in financing activities	8,605,150	(1,102,865)
Net (decrease) in cash and cash equivalents	(694,215)	(12,019,357)
Cash and cash equivalents at beginning of the year	846,119	12,865,476
Cash and cash equivalents at end of the year	151,904	846,119

The notes on pages 7 to 22 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

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. During the year, the commercial license of the Company has been cancelled and the Company is operating under Industrial License No 03-04-03146 issued on 12 July 2005 by SAIF Zone Authorities.

Activity : Consequent to the cancellation of commercial license, the principal activity of the Company is manufacture of 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.

Shareholding pattern : The shareholding pattern of the Company at end of the year under review was as follows:-

	Name of the shareholder	Nationality	No of shares	Value of shares AED
1)	M/s Aries Agro Limited	Indian	1,125	112,500
2)	Mr. Rahul Mirchandani	Indian	180	18,000
3)	Mr. Jimmy Mirchandani	Indian	98	9,800
4)	Mr. Akshay Mirchandani	Indian	94	9,400
5)	Mr. Chalakudi Subramani Shankaranarayan	Indian	3	300
	Total		1,500	150,000

Management : As per license issued by SAIF Zone Authorities, Chalakudi Subramani Shankaranarayan has been appointed as Manager of the Company.

Accounting period : These financial statements relate to the period from 1 April 2009 to 31 March 2010.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

2.1 Basis of preparation

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting

Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) that are relevant to the operations of the Company.

The accounting policies adopted have been consistently applied in dealing with items considered material to the Company's financial statements.

Basis of measurement

The financial statements are prepared under the historical cost convention, modified to incorporate changes to the carrying values of investments as described in note 4 to the financial statements and to carrying values of property, plant, and equipment as described in note 3 to the financial statements.

2.2 Changes in accounting policies

In the current year, the Company has adopted all applicable new and revised Standards and Interpretations issued by IASB and the IFRIC that are effective for accounting periods beginning on or after 1 January 2009.

In particular, the following Standards, have resulted in revised disclosure requirements for the current period:

- Amendments to IAS 1 'Presentation of Financial Statements' primarily required the following disclosures:
 - * 'Balance sheet' and 'Cash flow statement' have been described as 'Statement of Financial Position', and 'Statement of Cash Flows' respectively (optional amendments);
 - * All owner changes in equity are presented in the statement of changes in equity separately from non-owner changes in equity;
 - * A statement of financial position as at the beginning of the earliest comparative period will be prepared whenever the entity retrospectively applies an accounting policy or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements.

- Amendments to IFRS 7 'Financial Instruments: Disclosures' (issued in March 2009) requires enhanced disclosures about fair value measurements and liquidity risk. An entity shall now classify fair value measurements using a fair value hierarchy (Levels 1, 2 and 3) that reflects the significance of the inputs used in making the measurements.
- There have been other amendments issued by IASB as part of its annual improvements project in the year 2008 that are applicable for accounting periods commencing 1 January 2009. The amendments have been categorized into two parts by IASB. Part I contains amendments that result in accounting changes for presentation, recognition or measurement purposes. Part II contains amendments that are terminology or editorial changes only, which is expected to have no or minimal effect on accounting.

Certain amendments to existing standards have been published that are effective and mandatory for accounting periods commencing on or after 1 July 2009, which the Management have decided to adopt from the applicable periods. The amendments likely to be relevant to the Company are as follows:
- Amendments to IFRS 3 'Business Combinations' introduces significant changes on acquisition accounting, including the following:
 - * Expensing certain acquisition related costs in the period in which they are incurred;
 - * An option to recognize the entire goodwill of an acquired entity and not just the acquiring entity's portion of goodwill; and
 - * Guidance on the accounting treatment for step by step acquisition and on partial disposal of subsidiary (with or without losing control).
- An entity shall apply this IFRS for annual periods beginning on or after 1 July 2009, though earlier application is permitted.
- Amendments to IAS 24 'Related party disclosures' has simplified the definition of a related party, clarifying its intended meaning and eliminated inconsistencies from the definition. The amendments have also provided a partial

exemption from the disclosure requirements for government-related entities. An entity shall apply this IFRS for annual periods beginning on or after 1 January 2011, though earlier application is permitted.

- IFRS 9 'Financial Instruments' was issued partially in November 2009 and will eventually replace IAS 39 'Financial Instruments: Recognition and Measurement'. The chapters issued in November 2009 related to the classification and measurement of financial assets. An entity shall apply this IFRS for annual periods beginning on or after 1 January 2013, though earlier application is permitted.

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 Employees' terminal 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.

Golden Harvest Middle East FZC

Accordingly, the Company has no expectation of settling its employees' terminal benefits obligation in the near future.

d 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.

e Accounts receivable

Accounts receivable originated by the Company are measured at cost. An allowance for credit losses of accounts receivable is established when there is objective evidence that the Company will not be able to collect the amounts due. Indicators that the accounts receivable are impaired include consistent default in the payments when due, financial difficulties of the customer and other indicators. When an accounts 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 accounts receivable approximate to their fair value due to the short term nature of those receivables.

f Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether or not billed to the Company.

g Finance charges

Finance charges that are directly attributable to the acquisition and constructing of property and equipment are capitalized as part of the cost of those assets. Other finance charges are recognized as an expense in the period in which they are incurred.

h Cash and cash equivalents

Cash and cash equivalents consist of unrestricted cash and bank balances.

i Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

j Borrowing costs

Borrowing costs that are directly attributable to the acquisition and constructing of property and equipment are capitalized as part of the cost of those assets. Other borrowing costs are recognised as an expense in the year in which they are incurred.

k 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.

l Investments

Associates

An entity over which the Company exercises significant management influence but not

control is classified as an associate and is accounted for using the equity method.

Under the equity method, the investments are initially recorded at cost and the carrying amount is subsequently adjusted to recognize the investor's share profits or losses of the investee company after the acquisition date. Distributions received from the investee company are deducted from the carrying value of the investments.

m Financial liabilities

All financial liabilities are initially measured at cost and are subsequently measured at amortized cost.

n Sales

Sales represents the invoiced value of goods sold during the year less returns and discounts. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

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 recognised 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 affects 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 accounts receivable and amounts due from related parties

An estimate of the collectible amount of trade accounts receivable and amounts due from related parties are 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.

3 PROPERTY, PLANT AND EQUIPMENT

Movement in property, plant and equipment are given on page number 22.

Motor vehicles purchased under financing arrangements are subject to a charge.

4 INVESTMENTS

(Un-quoted at cost)

At the balance sheet date, the Company had investment in the following associate company in accordance with the terms and conditions of the Memorandum and Articles of Association of the associate company.

Golden Harvest Middle East FZC

Name of associate	Activity	Percentage of holding	Value
Mapco Fertilizer Industries FZC, Hamriyah Free Zone, Sharjah (25 shares of AED 48,000)	Manufacture of chemical fertilizer	25%	1,200,000

The above associate company is in the process of setting up a manufacturing facility and has not commenced commercial operations at the balance sheet date. The amendment of the statutory records of the Company maintained by the Hamriyah Free Zone Authority to reflect the above investment is under progress.

5 INVENTORIES

Particulars	2010 AED	2009 AED
Raw materials	4,448,649	1,582,330
Finished goods	1,766,430	683,991
Packing materials	21,763	8,024
	6,236,842	2,274,345

6 ACCOUNTS RECEIVABLE

Particulars	2010 AED	2009 AED
Accounts receivable	150,000	4,036,325
	150,000	4,036,325

- (i) At the balance sheet date net accounts receivable is due from one customer (2008-09 - 62% from one customer).
- (ii) The aging analysis of the accounts receivable are as follows:

Particulars	2010 AED	2009 AED
Due for less than 6 months	150,000	1,516,325
Due for more than 6 months	-	2,520,000
	150,000	4,036,325

- (iii) Accounts receivable are considered collectible based on historic experience.

7. PREPAYMENTS AND OTHER RECEIVABLES

Particulars	2010 AED	2009 AED
Prepayments	85,309	101,260
Deposits	57,400	44,640
Advance to suppliers	-	30,308
Other receivables	19,889	9,791
	162,598	185,999

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 branch and/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. Amounts due from/to related parties do not attract interest and are payable on demand.

Amount due from Related Parties

Particulars	2010 AED	2009 AED
Aries Agro Limited	1,179,124	3,326,997
MAPCO Fertilizers	1,212,700	977,700
Amarak Chemicals FZC, Fujairah	28,698,720	15,066,386
Mirabelle Holdings	-	82,155
	31,090,544	19,453,238

Amount due from related parties include AED 15,137,987 being amount invested by the Company in Amarak Chemicals FZC, Fujairah towards advance for allotment of shares.

Amount due to Related Parties

Particulars	2010 AED	2009 AED
Aries Agro Limited	22,791,901	19,587,725
	22,791,901	19,587,725

Prices and terms of these transactions were approved by the management and considered comparable with those charged by third parties. The volumes of related party transactions during the year were as follows:-

Particulars	2010 AED	2009 AED
Sales	7,900,111	18,893,344
Purchases	3,194,549	37,117
Finance charges	248,515	918,513

Key management compensation

(including Director's emoluments)

Particulars	2010 AED	2009 AED
Directors remuneration	84,000	84,000
House rent	-	60,000
	84,000	144,000

9 CASH AND BANK BALANCES

Particulars	2010 AED	2009 AED
Cash in hand	432	690
Current account with banks	151,472	845,429
	151,904	846,119

10 SHARE CAPITAL

2010	2009 AED	AED
Authorised, issued and paid-up capital (1,500 shares of AED 100 each)	150,000	150,000
	150,000	150,000

11 SHAREHOLDERS' CURRENT ACCOUNTS

Shareholders' current account balances do not attract interest and there are no defined repayment arrangements.

12 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.

13 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. The cost of providing these benefits is charged as an expense on an annual basis and the charge for the year ended 31 March 2010 amounted to AED 14,710.

14 TERM LOANS

Particulars	2010 AED	2009 AED
Motor Vehicle loans	192,576	19,937
	192,576	19,937

Installments falling due within 12 months of the balance sheet date - classified as current liabilities.

TERM LOANS (continued)

Particulars	2010 AED	2009 AED
Short term portion	76,484	17,064
Long term portion	116,092	2,873

Long term loans represent installments on vehicle loans not payable within 12 months of the balance sheet date. Vehicle loan taken from finance companies for purchase of vehicles are secured by a charge on the motor vehicle purchased under such financing arrangements.

15 ACCOUNTS PAYABLE AND ACCRUALS

Particulars	2010 AED	2009 AED
Trade payables	182,443	4,660,880
Accrued expenses	35,133	14,026
	217,576	4,674,906

Golden Harvest Middle East FZC

16 SALES

Particulars	2010 AED	2009 AED
Trading	12,127,500	17,628,429
Manufacturing	7,939,028	2,781,240
	<u>20,066,528</u>	<u>20,409,669</u>

17 COST OF SALES

Particulars	2010 AED	2009 AED
Opening stock	2,274,345	3,068,494
Purchases	18,409,484	15,986,053
Direct expenses	539,211	373,072
Less: Closing stock	(6,236,842)	(2,274,345)
	<u>14,986,198</u>	<u>17,153,274</u>

18 OTHER INCOME

Particulars	2010 AED	2009 AED
Commission income	75,125	84,307
Penalty amount received	-	217,500
Interest on fixed deposit	-	9,122
Other income	-	39,512
	<u>75,125</u>	<u>350,441</u>

19 ADMINISTRATION, SELLING AND GENERAL EXPENSES

Particulars	2010 AED	2009 AED
Salaries and benefits	218,310	202,517
Rent	255,024	263,955
Communication expenses	52,120	55,787
Legal and professional charges	78,143	98,142
Repairs and maintenance	40,521	16,774
Travelling and conveyance	36,402	25,649
Printing and stationery	6,269	7,853
Insurance charges	3,410	6,221
Other expenses	103,551	168,057
	<u>793,750</u>	<u>844,955</u>

20 FINANCE CHARGES

Particulars	2010 AED	2009 AED
Bank charges and interest	39,960	66,160
Loss on currency exchange fluctuation	24,522	54,225
Interest charges	248,515	918,513
	<u>312,997</u>	<u>1,038,898</u>

Interest charges represents amount paid to a related party, Aries Agro Ltd, Mumbai.

21 FINANCIAL RISK AND CAPITAL MANAGEMENT

21.1 Financial risk factors

Financial assets of the Company include cash, bank balances, prepayments, amounts due from related parties and accounts receivable. Financial liabilities include accounts payable, accruals, amounts due to related parties and motor vehicle loans.

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 over variables held constant.

b) Interest rate risk

The Company's interest rate risk arises from motor vehicle loans. The interest rates on motor vehicle loans are at commercial rates negotiated with banks and are largely subject to regular revision.

Although the Company is exposed to interest rate risk the Board of Directors consider that the impact of interest rate will not be material to the results of operations.

c) Credit risk

The Company is potentially exposed to concentration of credit risk from its financial assets which comprise principally bank balances, amounts due from related parties and accounts receivable. The Company's bank accounts are placed with high credit quality financial institutions. The credit risk on accounts receivables and amounts due from related parties are 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.

d) 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 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

There were no material capital commitments at the balance sheet date.

23 CONTINGENT LIABILITIES

There are no material contingent liabilities at the balance sheet date.

24 SEGMENT REPORTING

The Company does not have distinguishable business segments. However the geographical distribution of revenues are set out as follows.

Particulars	2010 AED	2009 AED
United Arab Emirates	12,166,417	1,516,325
Other countries:		
India	7,900,111	18,893,344
	20,066,528	20,409,669

25 COMPARATIVE FIGURES

Previous year's figures have been regrouped or reclassified wherever necessary to make them comparable to those of the current year.

26 LEVEL OF PRECISION

All figures are rounded off to nearest Dirhams (AED).

NOTICE OF 4TH ANNUAL GENERAL MEETING

Notice is hereby given that the Fourth Annual General Meeting of the Members of **ARIES AGRO CARE PRIVATE LIMITED** will be held on the Wednesday, 15th September, 2010 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 Balance Sheet as at 31st March, 2010 and Profit and Loss Account for the year ended as on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint M/s. Kirti D. Shah & Associates, Chartered Accountants, Mumbai, as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

By Order of the Board

For **Aries Agro Care Private Limited**

Place: Mumbai

Dr. Jimmy Mirchandani

Date: 30th June, 2010

Director

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 Fourth Annual Report together with Audited Statement of Accounts of the Company for the period ended 31st March, 2010.

1. FINANCIAL RESULTS :

The Company started its operation during the previous year and during year under review the Company generated a turnover of Rs. 1,54,96,580/- as against the previous year of Rs. 11,74,075/-. The Profit of the Company after tax was Rs. 4,67,964/-.

2. CURRENT STATUS

The business of the Company is progressing well and the trends indicate that there will be substantial growth in the current financial year.

3. DIVIDEND :

Since the Company has accumulated 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 :

The Directors are to report that there are no employees who were in receipt of remuneration in excess of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975.

6. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

Since the Company in the first year of operation outsourced the manufacturing activity, report pertaining to conservation of energy and technology absorption are not applicable. However, Company has taken due care for conserving energy while designing the Plant itself. For technology absorption, an exclusive group has been constituted for the purpose of technology transfer. During the year there were no Foreign Exchange earning, expenditure or outflow.

7. DIRECTORS:

In terms of Article 109 of the Articles of Association of the Company, Directors are not liable to retire by rotation.

8. AUDITORS :

M/s. Kirti D. Shah & Associates, Chartered Accountants, the Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

9. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 217 (2AA) of the Companies Act, 1956 with respect to the Directors' responsibility statement, it is hereby confirmed that:

1. In preparation of the Annual Accounts, applicable accounting standards have been followed.
2. The accounting policies are consistently applied and reasonable, prudent judgment and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors had prepared the Annual Accounts on a 'going concern' basis.

10. ACKNOWLEDGEMENT :

Your Directors would like to express their grateful appreciation for the co-operation and assistance received from the HDFC Bank and other related agencies.

By Order of the Board

For **Aries Agro Care Private Limited**

Place : Mumbai

Date : 30th June, 2010

Dr. Jimmy Mirchandani

Director

AUDIT REPORT TO THE SHARE HOLDERS OF ARIES AGRO CARE PVT. LTD.

- i. We have audited the attached Balance sheet of **ARIES AGRO CARE PRIVATE LIMITED**, as at 31st March, 2010. These financial statements are responsibility of the company management. Our responsibility is to express an opinion on these financial statements based on our audit.
- ii. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes
- (a) examining, on a test basis, evidence to support the financial statement amounts and disclosures in the financial statement
 - (b) assessing the accounting principles used in the preparation of financial statements
 - (c) assessing significant estimates made by the management in the preparation of the financial statements and
 - (d) evaluating overall financial statement presentation.
- We believe that our audit provides a reasonable basis for our opinion
- iii. The provisions of Companies (Auditor's Report) Order, 2003, (as amended from time to time) issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, are not applicable to the Company.
- iv. Further, we report that:
- a. We have 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 accounts as required by law, have been kept by the Company

so far as appears from our examination of the books of the Company;

- c. The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of accounts of the Company;
 - d. On the basis of written representations received from the directors, and taken on record by the Board of Directors, in our opinion, none of the directors is disqualified from being appointed as director u/s 274(l)(g) of Companies Act, 1956;
 - e. In our opinion, the Balance Sheet and Profit & Loss Account dealt with by, this report comply with all material respects with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - f. The company is not a sick company within the meaning of section 3(1)(o) of the SICA Act, 1985. Hence there is no question of payment of cess as required under section 441 A of Companies Act;
 - g. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit & Loss Account, together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in Conformity with the accounting principles generally accepted in India.
- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010.
 - ii. in the case of the Profit and Loss Account, of the profit of the Company for the period ended on that date.

For Kirti D. Shah & Associates
Chartered Accountants

Kirti D. Shah
Proprietor

Place : Mumbai

Date: 30th June, 2010

Membership No. 32371

ANNEXURE TO THE AUDITORS' REPORT

(This is the Annexure referred to in our Report of even date)

In terms of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state as under:

- i. a. The company does not have any Fixed assets hence maintenance of records showing full particulars including quantitative details and situation of its fixed assets does not arise.
- b. The company does not have any Fixed assets hence the question of physical verification & material discrepancies of the same does not arise.
- c. No parts of fixed assets have been disposed off during the period, which will affect its status as going concern.
- ii. a. The stock of inventory has been physically verified during the period by the management at reasonable intervals.
- b. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c. The company is maintaining proper records of inventory. No discrepancies were noticed on physical verification of stocks as compared to book records and hence the question of whether the same have been properly dealt with the books of accounts does not arise.
- iii. a. The company has taken loan from one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the period ended 31/03/2010 is Rs. 12,204,327 (Previous Year Rs. 11,232,354) and closing balance as on 31/03/2010 is Rs. 12,204,327 (Previous Year Rs.19,363,643).

The Company has not given interest free advances to any parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- b. As per information and explanation provided to us, the company has not granted any loans which are interest free. However other terms and conditions on which such loans and advances given to Companies, Firms or Other Parties listed in the Register maintained under section 301 are not, prima facie, prejudicial to the interest of the Company.
- c. The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest wherever applicable
- d. As per the information given by the management, in case of overdue amount more than Rs.1.00 lakhs, the reasonable steps have been taken by the company for recovery of the principal and Interest.
- iv. In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. In our opinion, there is no continuing failure to correct major weaknesses in internal control.
- v. a. According to the information and explanation provided by the management, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the Register maintained under section 301 have been so entered.
- b. The transactions made in pursuance of contracts or arrangements entered in the Register maintained under section 301 and exceeding value of Rupees Five Lakhs in respect of any party during the period have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted deposits from the public. Hence, the question of complying with the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Act and the rules framed there under, where applicable, does not arise.
- vii. The paid up capital and reserve and surplus does not exceed 50 lacs as at the commencement of the financial year concerned or average annual turnover does not exceed 5 crore rupee for a period of three consecutive financial year immediately preceding the financial year concerned, applicability of internal audit does not arise

Aries Agro Care Private Limited

- viii. Maintenance of the cost records has been prescribed by the Central Government under section 209 (1) (d) of the act and are not applicable to the company.
- ix. a. The company is generally regular in depositing statutory dues including Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues except some occasional delays.
- b. Details of disputed liability in respect of tax dues on account of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess together with the status and the Forum before which such dispute is pending as on 31st March 2010 is Rs. NIL.
- x. The company has no accumulated losses. The company has not incurred cash losses in the financial period under report and in the financial period immediately preceding such financial period.
- xi. The company has not defaulted in repayment of dues to a financial institution or bank. The Company has not obtained any borrowings by way of debenture.
- xii. According to the records of the company, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The company is not a chit fund, Nidhi or mutual benefit fund/society.
- xiv. The company is not dealing or trading in shares, securities, debentures and other investments. The shares held by the Company have been held by the Company in its own name.
- xv. The company has not given any guarantee for loans taken by others from Banks or financial institutions.
- xvi. The company has not taken any term loans during the year under audit.
- xvii. The funds raised on short-term basis have not been used for long term investment and vice versa.
- xviii. According to the records of the Company and the information and explanation provided by the management, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- xix. The Company has not issued any debentures hence the clause XIX of the said order is not applicable to the company.
- xx. The Company has not raised any Capital during the year and hence the question whether the management has disclosed the end use of money raised by public issues and whether the same has been verified by us or not does not arise.
- xxi. During the checks carried out by us, any fraud on or by the Company has not been noticed or reported during the period under report.

For Kirti D Shah & Associates

Chartered Accountants

Kirti D. Shah

Proprietor

Membership No. 32371

Place: Mumbai

Date: 30th June 2010

BALANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	Schedule No.	As at 31 March 2010 Rupees	As at 31 March 2009 Rupees
I SOURCE OF FUNDS			
SHAREHOLDERS' FUNDS			
(a) Share Capital	1	100,000	100,000
		<u>100,000</u>	<u>100,000</u>
LOAN FUNDS			
(a) Unsecured Loans	2	12,204,327	11,252,354
		<u>12,204,327</u>	<u>11,252,354</u>
TOTAL		<u>12,304,327</u>	<u>11,352,354</u>
II APPLICATION OF FUNDS			
DEFERRED TAX ASSETS		-	230,950
CURRENT ASSETS, LOANS & ADVANCES			
(a) Inventories	3	11,460,795	9,449,475
(b) Sundry Debtors	4	1,193,942	259,502
(c) Cash & Bank Balances	5	226,927	242,617
(d) Loans & Advances	6	3,456,781	2,768,250
		<u>16,338,445</u>	<u>12,719,844</u>
Less: CURRENT LIABILITIES AND PROVISIONS			
(a) Current Liabilities	7	4,699,098	3,124,879
(b) Provisions		140,000	17,400
		<u>4,839,098</u>	<u>3,142,279</u>
NET CURRENT ASSETS		<u>11,499,347</u>	<u>9,577,565</u>
MISCELLANEOUS EXPENDITURE	8	755,530	1,027,374
(To the extent not written off or adjusted)			
PROFIT & LOSS A/C (DEBIT BALANCE)	9	49,450	516,464
TOTAL		<u>12,304,327</u>	<u>11,352,354</u>
Significant Accounting Policies & Notes to Accounts	16		

As per our Report of even date

For Kirti D Shah & Associates

Chartered Accountants

Kirti D Shah

Proprietor

Membership No 32371

Place : Mumbai.

Date : 30th June, 2010

For and on behalf of the Board

Dr Jimmy Mirchandani

Director

Dr Rahul Mirchandani

Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	Schedule No.	Year Ended 31 March 2010 Rupees	Year Ended 31 March 2009 Rupees
I. INCOME			
(a) Sales		8,005,354	862,580
(b) Other Income	10	696	-
(c) Increase/(Decrease) in stock	11	7,490,530	311,495
Total Revenue		15,496,580	1,174,075
II. EXPENDITURE			
(a) Consumption of Materials	12	11,762,216	792,595
(b) Manufacturing / Direct Expenses	13	1,079,928	12,339
(c) Interest and Financial Charges		15,190	11,523
(d) Payment to & for Employees	14	320,920	407,907
(e) Administration, Selling & Other Expenses	15	1,278,518	422,882
(f) Amortisations		246,844	256,844
		14,703,616	1,904,090
III. Profit / (Loss) Before Tax		792,964	(730,015)
IV. Provision for Taxation			
(i) Income tax			
Current Tax (MAT Payable)		95,000	-
Deferred Tax		230,950	(230,950)
(ii) Fringe Benefit tax		-	17,400
		325,950	(213,550)
V Profit / (Loss) After Tax		467,014	(516,464)
VI Balance brought forward from Previous Year		(516,464)	-
VII Amount available for Appropriations		(49,450)	(516,464)
VIII Balance Carried to Balance Sheet		(49,450)	(516,464)
Basic & Diluted Earning Per Share of Face Value of Rs. 10 each (Rs)		46.70	(51.65)
Significant Accounting Policies & Notes on Accounts	16		

As per our Report of even date

For Kirti D Shah & Associates

Chartered Accountants

Kirti D Shah

Proprietor

Membership No 32371

Place : Mumbai.

Date : 30th June, 2010

For and on behalf of the Board

Dr Jimmy Mirchandani

Director

Dr Rahul Mirchandani

Director

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2010
(Rs. in Lakhs)

Particulars	Year Ended 31 March, 2010	Year Ended 31 March, 2009
A) CASH FLOW FROM OPERATING ACTIVITIES :-		
Net Profit Before Tax and Extraordinary Items	7.93	(7.30)
Adjustments for :-		
Miscellaneous Expenses Written Off	2.47	2.57
Income Tax & Fringe Benefit Tax paid	(0.95)	(0.17)
Prior Period Expenses	0.25	-
Interest / Dividend being income from Investing Activities	(0.01)	-
Interest Expense being Cash flow from Financing Activities	0.15	0.12
(Profit)/Loss on sale of Fixed Assets being Cash Flow on a/c of Investing Activities	0.00	0.00
Cash Flow from Operations before Working Capital Changes	9.84	(4.79)
(Increase) / Decrease in Inventories	(20.11)	(94.49)
(Increase) / Decrease in Trade Receivables	(9.34)	(2.60)
(Increase) / Decrease in Loans & Advances	(6.89)	(27.68)
Increase / (Decrease) in Current Liabilities and Provisions	16.97	28.58
Cash Flow from Operating Activities	(9.53)	(100.98)
B) CASH FLOW FROM INVESTING ACTIVITIES :-		
Interest Received	0.01	-
Cash Flow from Investing Activities	0.01	-
C) CASH FLOW FROM FINANCING ACTIVITIES :-		
Increase / (Decrease) in Borrowings	9.52	103.44
Interest Paid	(0.15)	(0.12)
Cash Flow from Financing Activities	9.37	103.33
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(0.16)	2.35
Cash & Cash Equivalents at the Beginning of the Year	2.43	0.08
Cash & Cash Equivalents at the End of the Year	2.27	2.43

As per our Report of even date

For and on behalf of the Board

For Kirti D Shah & Associates

Chartered Accountants

Kirti D Shah

Proprietor

Membership No 32371

Place : Mumbai.

Date : 30th June, 2010

Dr Jimmy Mirchandani
Director

Dr Rahul Mirchandani
Director

**SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET
AS AT 31ST MARCH, 2010**

Particulars	As at 31 March, 2010 Rupees	As at 31 March, 2009 Rupees
SCHEDULE 1 - SHARE CAPITAL		
Authorised		
10,000 Equity Shares of Rs. 10/- each	100,000	100,000
	100,000	100,000
Issued, Subscribed and Paid up Capital		
10,000 Equity Shares of Rs. 10/- each	100,000	100,000
PER BALANCE SHEET	100,000	100,000
SCHEDULE 2 - UNSECURED LOANS		
(i) Security Deposits	-	20,000
(ii) Loan from Holding Company	12,204,327	11,232,354
PER BALANCE SHEET	12,204,327	11,252,354
SCHEDULE 3 - INVENTORIES		
(At lower of cost or Net Realisable Value)		
Certified and valued by management)		
Finished Goods	7,802,025	311,495
Packing Material	3,658,770	3,637,980
Goods-in-Transit	-	5,500,000
PER BALANCE SHEET	11,460,795	9,449,475
SCHEDULE 4 - SUNDRY DEBTORS		
Unsecured - Considered Good		
Outstanding for a period exceeding six months	496,346	243,652
Others	697,596	15,850
PER BALANCE SHEET	1,193,942	259,502
SCHEDULE 5 - CASH AND BANK BALANCES		
With Scheduled Banks on Current Account	226,927	242,617
PER BALANCE SHEET	226,927	242,617
SCHEDULE 6 - LOANS & ADVANCES		
Advances recoverable in cash or in kind or for value to be received		
- Fixed Deposit with Bank	20,000	-
- Margin for Bank Guarantee	45,000	-
- Advances to Goods Suppliers	3,314,085	2,681,250
Sundry Deposits	32,000	87,000
Interest Accrued on Fixed Deposits	696	-
MAT Credit Entitlement	45,000	-
PER BALANCE SHEET	3,456,781	2,768,250

Particulars	As at 31 March, 2010 Rupees	As at 31 March, 2009 Rupees
SCHEDULE 7 - CURRENT LIABILITIES AND PROVISIONS		
Sundry Creditors		
(a) For Goods	2,874,864	1,702,790
(b) For Expenses	619,819	427,850
(c) Advances from Customers	1,204,415	994,239
	<u>4,699,098</u>	<u>3,124,879</u>
Provisions :		
For Taxation		
Income Tax	140,000	-
Fringe Benefit Tax	-	17,400
	<u>140,000</u>	<u>17,400</u>
PER BALANCE SHEET	<u>4,839,098</u>	<u>3,142,279</u>
SCHEDULE 8 - MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Pre-Operative Expenses		
Balance B/f	1,027,374	1,284,218
	<u>1,027,374</u>	<u>1,284,218</u>
Less : Sales Tax Deposit transferred	25,000	-
Less : - 1/5 th Written Off to Profit & Loss A/c	246,844	256,844
PER BALANCE SHEET	<u>755,530</u>	<u>1,027,374</u>
SCHEDULE 9 - PROFIT & LOSS A/C (DEBIT BALANCE)		
Profit & Loss Account (as per annexed a/c)	49,450	516,464
PER BALANCE SHEET	<u>49,450</u>	<u>516,464</u>

**SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET
AS AT 31ST MARCH, 2010**

Particulars	Year Ended 31 March, 2010 Rupees	Year Ended 31 March, 2009 Rupees
SCHEDULE 10 - OTHER INCOME		
Interest Income	696	-
PER PROFIT AND LOSS ACCOUNT	696	-
SCHEDULE 11 - INCREASE / (DECREASE) IN STOCK		
Closing Stock of Finished Goods	7,802,025	311,495
Less : Opening Stock of Finished Goods	311,495	-
PER PROFIT AND LOSS ACCOUNT	7,490,530	311,495
SCHEDULE 12 - CONSUMPTION OF MATERIALS		
1) Opening Stock of Seeds	-	-
Add : Goods in Transit - Seeds	5,500,000	-
Add : Purchases	5,846,120	6,230,414
	11,346,120	6,230,414
Less : Goods in Transit - Seeds	-	5,500,000
Seeds Traded	11,346,120	730,414
2) Opening Stock of Packing Materials	3,637,980	-
Add : Purchases	436,886	3,700,161
	4,074,866	3,700,161
Less : Closing Stock of Packing Materials	3,658,770	3,637,980
Packing Materials Consumed	416,096	62,181
Consumption of Materials	11,762,216	792,595
SCHEDULE 13 - MANUFACTURING / DIRECT EXPENSES		
Freight Inward	670,012	12,339
Processing Charges	398,474	-
Rent - Godown	11,442	-
PER PROFIT AND LOSS ACCOUNT	1,079,928	12,339
SCHEDULE 14 - PAYMENT TO & FOR EMPLOYEES		
Allowances	44,000	22,763
Bonus	-	3,500
Funds / Contribution	31,920	43,370
Perks / Expenses	5,000	11,208
Salary	240,000	327,066
PER PROFIT AND LOSS ACCOUNT	320,920	407,907

Particulars	Year Ended 31 March, 2010 Rupees	Year Ended 31 March, 2009 Rupees
SCHEDULE 15 - ADMINISTRATION, SELLING & OTHER EXPENSES		
Selling Costs		
Advertisement & Publicity	24,905	6,510
Discount and Selling Expenses	530,524	-
Freight & Delivery Expenses	327,172	20,760
Selling Expenses	26,391	-
Travelling Expenses	92,163	197,452
	1,001,155	224,722
Other Administration Expenses		
Auditors Remuneration	22,060	22,060
Conveyance & Motor Car Expenses	60,045	41,490
General Expenses - Office	47,424	61,160
Legal & Professional Charges	25,390	22,107
Postage & Telephones	7,566	30,686
Printing & Stationary	62,538	3,949
Rent, Rates & Taxes	52,340	16,708
	277,363	198,160
PER PROFIT AND LOSS ACCOUNT	1,278,518	422,882

SCHEDULE: 16**NOTES TO ACCOUNTS****1. Significant Accounting Policies****A. Basis of Preparation**

The financial statements have been prepared under the historical cost convention and materially comply with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 1956. All income and expenditure having material bearing on the financial statements have been recognized on the accrual basis.

B. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

- C.** 1/5th of the Pre-operative expenses incurred are written off to the profit & loss account every year commencing from the financial year 2008-09.

D. Fixed Assets and Depreciation

- a) Fixed assets to be stated at cost of acquisition / construction / revaluation less accumulated depreciation
- b) Depreciation on fixed assets to be provided on straight line method at the rates and in the manner prescribed in schedule XIV of the companies act, 1956.
- c) On assets acquired during the year and assets sold during the year the depreciation to be provided pro rata for the period used.

E. Investments

Investments to be stated at cost.

F. Inventory

- a) Raw material, packing materials, stores, spares and stock-in-transit valued at cost.
- b) Finished goods are valued at cost or market value whichever is lower. The cost includes cost of production and expenses incurred in putting the inventories in their present location and condition.
- c) Waste and scrap are not separately valued being insignificant in value

G. Revenue Recognition

- a) Revenue from sale of goods is recognized when the goods are handed over to the customer or his duly authorized agent
- b) Sales are accounted net of sales tax recovered, sales returns, trade discounts, rebates and allowances but include duties wherever applicable.

H. Employee Benefits

- a) Bonus to be accounted on accrual basis
- b) Gratuity will be provided on accrual basis and will be covered under the Group Gratuity Scheme at the appropriate time.
- c) All employees are eligible for benefit under provident fund (PF) scheme. Provident Fund of 12% covered employees basic salary plus dearness allowance wherever applicable is deducted and paid alongwith company's contribution of an equal amount on a monthly basis to the government administered provident fund scheme and charged to profit and loss account.

I. Earning Per Share

Basic earning per Share is 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.

J. Impairment of Assets

The carrying amount of the Company's Assets are reviewed at each balance sheet date if any indication of any impairment exists, an impairment loss is recognized to the extent of the excess of the carrying amount over the estimated accountable amount.

K. Foreign Currency Transactions

The Company will follow the provisions of Accounting Standard 11

- a) as prescribed by ICAI though there are no Foreign Currency transactions in the year under review.
- a) There are no Current Assets and Current Liabilities involving transactions in foreign currency in the year under review.

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

2. 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.

3. Leave Encashment

As per the policy of the company, employees are required to avail their annual leave by the end of the respective financial year and leave is not allowed to be encashed and hence no provision is considered necessary.

4. Contingent Liability

- a) Guarantees issued to Revenue / Tax Authorities of Rs. 2.45 Lacs. (Previous Year Rs. NIL)

5. Income Tax

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the company. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profit offered for Income Tax and profit as per financial statements.

Deferred Tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted on the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date.

6. Deferred Tax: Accounting Standard - 22

Sr	Particulars	Year Ended 31 st March 2010	Year Ended 31 st March 2009
1.	Deferred tax assets as on 1 st April 2009	230,950	Nil
2.	Deferred tax liability/asset as on 31 st March 2010	Nil	230,950
3.	Deferred tax charged to Profit & Loss Account	230,950	230,950

7. Earnings per Share

Particulars	Year Ended 31 st March 2010	Year Ended 31 st March 2009
Net Profit after tax as per Profit & Loss Account attributable to Equity Shareholders	467,014	(516,464)
Net Profit before exceptional items	467,014	(516,464)
Weighted Average number of Equity Shares used as denominator for calculating EPS	10,000	10,000
Basic & Diluted Earning per Share (Rs.)	46.70	(51.65)
Basic & Diluted Earning before exceptional items per Share (Rs.)	46.70	(51.65)
Face Value per Equity Share	10	10

8. Related Party Disclosure

Related Party Disclosure as Per Accounting Standard – 18 issued by The Institute of Chartered Accountants of India.

PART – A

DETAILS OF RELATED PARTIES (AS PER ACCOUNTING STANDARD 18)

Nature of Relationship	Name of Related Party	Remarks	
Holding Company	Aries Agro Limited	Date of becoming Subsidiary of Aries Agro Limited is 5th January, 2007 (Incorporation Date)	
Key Management Personnel	Dr. Jimmy Mirchandani Dr. Rahul Mirchandani	Director Director	
Relatives of Key Management Personnel	Name of Key Management Person Dr.Jimmy Mirchandani	Name of Relative Mrs.Sarasa Mirchandani Mr.Akshay Mirchandani Mr. Amol Mirchandani Dr.Rahul Mirchandani	Relationship Spouse Son Son Brother
	Dr.Rahul Mirchandani	Mrs.Nitya Mirchandani Master Armaan Mirchandani Dr.Jimmy Mirchandani	Spouse Son Brother
Enterprises in which the key Management Persons have total control	Mirabelle International	Prop. Dr. Jimmy Mirchandani	
Fellow Subsidiaries	Aries Agro Equipments Pvt. Ltd. Aries Agro Produce Pvt. Ltd. Golden Harvest Middle East FZC	A Wholly Owned Subsidiary of Aries Agro Ltd. A Subsidiary Company of Aries Agro Ltd. A Subsidiary Company of Aries Agro Ltd.	
Enterprises over which the Key Management Personnel have Significant influence or Control	Aries East West Nutrients Pvt. Ltd. Aries Marketing Ltd. Blossoms International Ltd. Sreeni Agro Chemicals Pvt. Ltd.		

PART – B

DETAILS OF TRANSACTIONS WITH RELATED PARTIES

Sr. No.	Category	Nature of Service	Year Ended 31 st March 2010	Year Ended 31 st March 2009
1	Holding company	Finance unsecured loan taken Finance unsecured loan given	6,425,729 5,453,756	11,345,674 1,001,200

PART – C

BALANCE OUTSTANDING WITH RELATED PARTIES.

Nature of outstanding	Category	Name of the party	As on 31 st March 2010	As on 31 st March 2009
Unsecured loans	Holding company	Aries Agro Limited	12,204,327	11,232,354

9. Auditors Remuneration

Particulars	Year Ended 31 st March 2010	Year Ended 31 st March 2009
a. Statutory audit fees	11,030	22,060
b. Tax audit fees	5,515	-
c. Taxation matters	5,515	-
d. Certification	-	-

10. Foreign Exchange Earnings & Outflow:

During the year there were no Foreign Exchange earning, expenditure or outflow.

11. Outstanding Dues of SSI Units

As on 31st March 2010, the company had no dues outstanding to any small scale Undertakings. There were no delays to making payment to any creditors during the year and hence the provisions of Interest on Delayed Payments to Small and Ancillary unit Act, 1993 are not attracted.

12. (A) Additional Information as per Part II of Schedule VI of the Companies Act, 1956 is as under:

(As certified by the management and relied upon by the Auditor)

Licensed Capacity : Not Applicable

Installed Capacity : Not Applicable

(B) Actual Production : NIL

(C) Quantitative and Turnover information, Consumption of Raw Materials, details of Turnover, Stocks, and Production etc. are not applicable.

13. The Previous years figures are re-arranged and re-grouped wherever is necessary.

As per our Report of even date

For Kirti D Shah & Associates

Chartered Accountants

Kirti D Shah

Proprietor

Membership No 32371

Place : Mumbai.

Date : 30th June, 2010

For and on behalf of the Board

Dr Jimmy Mirchandani

Director

Dr Rahul Mirchandani

Director

**ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF
SCHEDULE VI OF THE COMPANIES ACT, 1956**

I Registration Details

Registration No.	:	U01122MH2007PTC166761		
State Code	:	11	Balance Sheet Date	:
				31032010

II Capital Raised during the year

Public Issue	:	NIL	Rights Issue	:	NIL
Bonus Issue	:	NIL	Private Placement	:	NIL

III Position of Mobilation & Deployment of Funds (Rupees in Lacs)

Total Liabilities	:	171.43	Total Assets	:	171.43
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Sources of Funds :

Paid-up Capital	:	01.00	Reserves & Surplus	:	NIL
Secured Loans	:	NIL	Unsecured Loans	:	122.04

Application of Funds

Net Fixed Assets	:	NIL	Capital Work in Progress	:	NIL
Investments	:	NIL	Net Current Assets	:	144.99
Miscellaneous Expenditure	:	7.56	Profit & Loss Account (Debit Balance)	:	0.49

IV Performance of the Company (Rupees in Lacs)

Turnover	:	80.05	Total Expenditure	:	72.13
Profit Before Tax	:	7.92	Profit After Tax	:	4.67
Earnings Per Share (Rs.)	:	46.70	Dividend Rate	:	NIL

V Generic Names of Principal Products

Item Code No. (ITC Code) :	12099990
Product Description	Seeds for Sowing

As per our Report of even date

For and on behalf of the Board

For Kirti D Shah & Associates
Chartered Accountants

Kirti D Shah
Proprietor
Membership No 32371

Dr Jimmy Mirchandani
Director

Dr Rahul Mirchandani
Director

Place : Mumbai.

Date : 30th June, 2010

NOTICE OF 4TH ANNUAL GENERAL MEETING

Notice is hereby given that the Fourth Annual General Meeting of the Members of **ARIES AGRO EQUIPMENTS PRIVATE LIMITED** will be held on the Wednesday, 15th September, 2010 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 Balance Sheet as at 31st March, 2010 and Profit and Loss Account for the year ended as on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint M/s. Kirti D. Shah & Associates, Chartered Accountants, Mumbai, as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

By Order of the Board

For Aries Agro Equipments Private Limited

Place: Mumbai

Dr. Jimmy Mirchandani

Date: 30th June, 2010

Director

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.

Aries Agro Equipments Private Limited

DIRECTOR'S REPORT

To,

The Members of
Aries Agro Equipments Private Limited.

Your Directors are pleased to present their Fourth Annual Report together with Audited Statement of Accounts of the Company for the year ended 31st March, 2010.

1. FINANCIAL RESULTS :

The Company started its operation during the year under review. The Company generated a turnover of Rs. 1,39,89,628/- as against the expenses of Rs. 1,20,83,837/-. The Profit of the Company after tax was Rs. 13,05,790/-.

2. CURRENT STATUS :

The business of the Company is progressing well and the trends indicate that there will be substantial growth in the current financial year.

3. DIVIDEND :

Since the Company commenced business during the period under review 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 :

The Directors are to report that there are no employees who were in receipt of remuneration in excess of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975.

6. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

Since the Company has not commenced commercial production during the period under review, report pertaining to conservation of energy and technology absorption are not applicable. During the year there were no Foreign Exchange earning, expenditure or outflow.

7. DIRECTORS:

In terms of Article 109 of the Articles of Association of the Company, Directors are not liable to retire by rotation.

8. AUDITORS :

M/s. Kirti D. Shah & Associates, Chartered Accountants, the Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

9. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 217 (2AA) of the Companies Act, 1956 with respect to the Directors' responsibility statement, it is hereby confirmed that:

1. In preparation of the Annual Accounts, applicable accounting standards have been followed.
2. The accounting policies are consistently applied and reasonable, prudent judgment and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors had prepared the Annual Accounts on a 'going concern' basis.

10. ACKNOWLEDGEMENT :

Your Directors would like to express their grateful appreciation for the co-operation and assistance received from the HDFC Bank and other related agencies.

By Order of the Board

For **Aries Agro Equipments Pvt. Ltd.,**

Dr. Jimmy Mirchandani
Director

Place : Mumbai

Date : 30th June, 2010

AUDIT REPORT TO THE SHARE
HOLDERS OF ARIES AGRO
EQUIPMENTS PVT. LTD.

- i. We have audited the attached Balance sheet of **ARIES AGRO EQUIPMENTS PRIVATE LIMITED**, as at 31st March, 2010. These financial statements are responsibility of the company management. Our responsibility is to express an opinion on these financial statements based on our audit.
- ii. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes
- (a) examining, on a test basis, evidence to support the financial statement amounts and disclosures in the financial statement
 - (b) assessing the accounting principles used in the preparation of financial statements
 - (c) assessing significant estimates made by the management in the preparation of the financial statements and
 - (d) evaluating overall financial statement presentation.
- We believe that our audit provides a reasonable basis for our opinion
- iii. The provisions of Companies (Auditor's Report) Order, 2003, (as amended from time to time) issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, are not applicable to the Company.
- iv. Further, we report that:
- a. We have 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 accounts as required by law, have been kept by the Company

so far as appears from our examination of the books of the Company;

- c. The Balance Sheet referred to in this report is in agreement with the books of accounts of the Company
- d. On the basis of written representations received from the directors, and taken on record by the Board of Directors, in our opinion, none of the directors is disqualified from being appointed as director u/s 274(l)(g) of Companies Act, 1956;
- e. In our opinion, the Balance Sheet and Profit & Loss Account dealt with by, this report comply with all material respects with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- f. The company is not a sick company within the meaning of section 3(1)(o) of the SICA Act, 1985. Hence there is no question of payment of cess as required under section 441 A of Companies Act;
- g. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit & Loss Account, together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in Conformity with the accounting principles generally accepted in India.
- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010.
- ii. in the case of the Profit and Loss Account, of the profit of the Company for the period ended on that date.

For Kirti D. Shah & Associates
Chartered Accountants

Kirti D. Shah
Proprietor

Place: Mumbai

Date: 30th June, 2010

Membership No. 32371

ANNEXURE TO THE AUDITORS' REPORT

(This is the Annexure referred to in our Report of even date)

In terms of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state as under:

- i. a. The company does not have any Fixed assets hence maintenance of records showing full particulars including quantitative details and situation of its fixed assets does not arise.
- b. The company does not have any Fixed assets hence the question of physical verification & material discrepancies of the same does not arise.
- c. No parts of fixed assets have been disposed off during the period, which will affect its status as going concern.
- ii. a. The stock of inventory has been physically verified during the period by the management at reasonable intervals.
- b. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c. The company is maintaining proper records of inventory. No discrepancies were noticed on physical verification of stocks as compared to book records and hence the question of whether the same have been properly dealt with the books of accounts does not arise.
- iii. a. The company has taken loan from one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs. 11,338,644 (Previous Year Rs. 3,520,268) and closing balance as on 31/03/2010 is Rs. 11,338,644 (Previous Year Rs. 3,520,268).
The Company has not given interest free advances to any parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- b. As per information and explanation provided to us, the company has not granted any loans which are interest free. However other terms and conditions on which such loans and advances given to Companies, Firms or Other Parties listed in the Register maintained under section 301 are not, prima facie, prejudicial to the interest of the Company.
- c. The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest wherever applicable
- d. As per the information given by the management, in case of overdue amount more than Rs.1.00 lakhs, the reasonable steps have been taken by the company for recovery of the principal and Interest.
- iv. In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. In our opinion, there is no continuing failure to correct major weaknesses in internal control.
- v. a. According to the information and explanation provided by the management, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the Register maintained under section 301 have been so entered.
- b. The transactions made in pursuance of contracts or arrangements entered in the Register maintained under section 301 and exceeding value of Rupees Five Lakhs in respect of any party during the period have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted deposits from the public. Hence, the question of complying with the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Act and the rules framed there under, where applicable, does not arise.
- vii. The paid up capital and reserve and surplus does not exceed 50 lacs as at the commencement of the financial year concerned or average annual turnover does not exceed 5 crore rupee for a period of three consecutive financial year immediately preceeding the financial year concerned, applicability of internal audit does not arise

- viii. Maintenance of the cost records has been prescribed by the Central Government under section 209 (1) (d) of the act and are not applicable to the company.
- ix. a. The company is generally regular in depositing statutory dues including Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues except some occasional delays.
- b. Details of disputed liability in respect of tax dues on account of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess together with the status and the Forum before which such dispute is pending as on 31st March 2010 is Rs. NIL.
- x. The company has no accumulated losses. The company has not incurred cash losses in the financial period under report and in the financial period immediately preceding such financial period.
- xi. The company has not defaulted in repayment of dues to a financial institution or bank. The Company has not obtained any borrowings by way of debenture.
- xii. According to the records of the company, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The company is not a chit fund, Nidhi or mutual benefit fund/society.
- xiv. The company is not dealing or trading in shares, securities, debentures and other investments. The shares held by the Company have been held by the Company in its own name.
- xv. The company has not given any guarantee for loans taken by others from Banks or financial institutions.
- xvi. The company has not taken any term loans during the year under audit.
- xvii. The funds raised on short-term basis have not been used for long term investment and vice versa.
- xviii. According to the records of the Company and the information and explanation provided by the management, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- xix. The Company has not issued any debentures hence the clause XIX of the said order is not applicable to the company.
- xx. The Company has not raised any Capital during the year and hence the question whether the management has disclosed the end use of money raised by public issues and whether the same has been verified by us or not does not arise.
- xxi. During the checks carried out by us, any fraud on or by the Company has not been noticed or reported during the period under report.

For Kirti D Shah & Associates
Chartered Accountants

Kirti D. Shah
Proprietor

Place: Mumbai
Date: 30th June 2010

Membership No. 32371

Aries Agro Equipments Private Limited

BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	Schedule No.	As at 31 March 2010 Rupees	As at 31 March 2009 Rupees
I SOURCE OF FUNDS			
SHAREHOLDERS' FUNDS			
(a) Share Capital	1	100,000	100,000
(b) Reserves & Surplus	2	1,305,790	-
		<u>1,405,790</u>	<u>100,000</u>
LOAN FUNDS			
(a) Unsecured Loans	3	11,338,644	3,520,268
		<u>11,338,644</u>	<u>3,520,268</u>
TOTAL		<u>12,744,435</u>	<u>3,620,268</u>
II APPLICATION OF FUNDS			
CURRENT ASSETS, LOANS & ADVANCES			
(a) Inventories	4	2,469,688	-
(b) Sundry Debtors	5	6,615,416	-
(c) Cash & Bank Balances	6	1,555,639	2,148
(d) Loans & Advances	7	139,350	15,000
		<u>10,780,093</u>	<u>17,148</u>
Less: CURRENT LIABILITIES AND PROVISIONS			
(a) Current Liabilities	8	573,384	319,038
(b) Provisions		600,000	-
		<u>1,173,384</u>	<u>319,038</u>
NET CURRENT ASSETS		<u>9,606,709</u>	<u>(301,890)</u>
MISCELLANEOUS EXPENDITURE	9	3,137,726	3,922,158
(To the extent not written off or adjusted)			
TOTAL		<u>12,744,435</u>	<u>3,620,268</u>
Significant Accounting Policies & Notes to Accounts	13		

As per our Report of even date

For and on behalf of the Board

For Kirti D Shah & Associates

Chartered Accountants

Kirti D Shah

Proprietor

Membership No 32371

Place : Mumbai.

Date : 30th June, 2010

Dr Jimmy Mirchandani

Director

Dr Rahul Mirchandani

Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	Schedule No.	Year Ended 31 March 2010 Rupees
I. INCOME		
(a) Sales		13,989,628
Total Revenue		13,989,628
II. EXPENDITURE		
(a) Consumption of Materials	10	10,562,037
(b) Interest and Financial Charges		16,336
(c) Payment to & for Employees	11	172,638
(d) Administration, Selling & Other Expenses	12	548,395
(e) Amortisations		784,432
		12,083,837
III. Profit / (Loss) Before Tax		1,905,790
IV. Provision for Taxation		
(i) Income tax		
Current Tax		600,000
		600,000
V Profit / (Loss) After Tax		1,305,790
VI Balance brought forward from Previous Year		-
VII Amount available for Appropriations		1,305,790
VIII Balance Carried to Balance Sheet		1,305,790
Basic & Diluted Earning Per Share of Face Value of Rs. 10 each (Rs)		130.58
Significant Accounting Policies & Notes to Accounts	13	

As per our Report of even date

For and on behalf of the Board

For Kirti D Shah & Associates

Chartered Accountants

Kirti D Shah

Proprietor

Membership No 32371

Place : Mumbai.

Date : 30th June, 2010

Dr Jimmy Mirchandani

Director

Dr Rahul Mirchandani

Director

Aries Agro Equipments Private Limited

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2010
(Rs. in Lakhs)

Particulars	Year Ended 31 March, 2010 Rupees	Year Ended 31 March, 2009 Rupees
A) Cash Flow from Operating Activities :-		
Net Profit Before Tax and Extraordinary Items	19.06	-
Adjustments for :-		
Miscellaneous Expenses Written Off	7.84	(7.95)
Income Tax & Fringe Benefit Tax paid	(6.00)	-
Interest Expense being Cash flow for Financing Activities	0.16	-
Cash Flow from Operations before Working Capital Changes	21.07	(7.95)
(Increase) / Decrease in Inventories	(24.70)	-
(Increase) / Decrease in Trade Receivables	(66.15)	-
(Increase) / Decrease in Loans & Advances	(1.24)	(0.15)
Increase / (Decrease) in Current Liabilities and Provisions	8.54	0.23
Cash Flow from Operating Activities	(62.49)	(7.87)
B) Cash Flow from Investing Activities :-		
Cash Flow from Investing Activities	-	-
C) Cash Flow from Financing Activities :-		
Increase / (Decrease) in Borrowings	78.18	7.67
Interest Paid	(0.16)	-
Cash Flow from Financing Activities	78.02	7.67
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	15.53	(0.20)
Cash & Cash Equivalents at the Beginning of the Year	0.02	0.22
Cash & Cash Equivalents at the End of the Year	15.56	0.02

As per our Report of even date

For and on behalf of the Board

For Kirti D Shah & Associates

Chartered Accountants

Kirti D Shah

Proprietor

Membership No 32371

Place : Mumbai.

Date : 30th June, 2010

Dr Jimmy Mirchandani

Director

Dr Rahul Mirchandani

Director

**SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET
AS AT 31ST MARCH, 2010**

Particulars	As at 31 March, 2010 Rupees	As at 31 March, 2009 Rupees
SCHEDULE 1 - SHARE CAPITAL		
Authorised		
10,000 Equity Shares of Rs. 10/- each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
Issued, Subscribed and Paid up Capital		
10,000 Equity Shares of Rs. 10/- each	100,000	100,000
PER BALANCE SHEET	<u>100,000</u>	<u>100,000</u>
SCHEDULE 2 - RESERVES & SURPLUS		
PROFIT & LOSS ACCOUNT (as per annexed a/c)	1,305,790	-
	<u>1,305,790</u>	<u>-</u>
PER BALANCE SHEET	<u>1,305,790</u>	<u>-</u>
SCHEDULE 3 - UNSECURED LOANS		
(i) Loan from Holding Company	11,338,644	3,520,268
PER BALANCE SHEET	<u>11,338,644</u>	<u>3,520,268</u>
SCHEDULE 4 - INVENTORIES		
(At lower of cost or Net Realisable Value)		
(Certified and valued by management)		
Finished Goods	2,469,688	-
PER BALANCE SHEET	<u>2,469,688</u>	<u>-</u>
SCHEDULE 5 - SUNDRY DEBTORS		
Unsecured - Considered Good		
Outstanding for a period exceeding six months	121,474	-
Others	6,493,942	-
PER BALANCE SHEET	<u>6,615,416</u>	<u>-</u>
SCHEDULE 6 - CASH AND BANK BALANCES		
With Scheduled Banks on Current Account	1,555,639	2,148
PER BALANCE SHEET	<u>1,555,639</u>	<u>2,148</u>

Aries Agro Equipments Private Limited

Particulars	As at 31 March, 2010 Rupees	As at 31 March, 2009 Rupees
SCHEDULE 7 - LOANS & ADVANCES		
Unsecured - Considered Good		
Advances Recoverable in Cash or in Kind or for value to be received		
Staff Loans	-	15,000
Sundry Deposits	138,000	-
Tax Refunds Awaited (MVAT)	1,350	-
PER BALANCE SHEET	139,350	15,000
SCHEDULE 8 - CURRENT LIABILITIES AND PROVISIONS		
Sundry Creditors		
(a) For Expenses	352,595	319,038
(b) Advances from Customers	220,789	-
	573,384	319,038
Provisions :		
For Taxation		
Income Tax	600,000	-
	600,000	-
PER BALANCE SHEET	1,173,384	319,038
SCHEDULE 9 - MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Pre-Operative Expenses		
Balance B/f	3,922,158	3,127,594
Add :- Additions during the year	-	794,564
	3,922,158	3,922,158
Less :- 1/5 th Written Off to Profit & Loss A/c	784,432	-
PER BALANCE SHEET	3,137,726	3,922,158

SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	Year Ended 31 March, 2010 Rupees
SCHEDULE 10 - CONSUMPTION OF MATERIALS	
1) Opening Stock	-
Add : Purchases	13,031,725
	<u>13,031,725</u>
Less : Closing Stock	2,469,688
Consumption of Materials	<u>10,562,037</u>
SCHEDULE 11 - PAYMENT TO & FOR EMPLOYEES	
Allowances	16,678
Funds / Contribution	9,429
Perks / Expenses	2,637
Salary	90,442
Staff welfare	53,452
PER PROFIT AND LOSS ACCOUNT	<u>172,638</u>
SCHEDULE 12 - ADMINISTRATION, SELLING & OTHER EXPENSES	
Selling Costs	
Advertisement & Publicity	7,950
Discount and Selling Expenses	52,202
Freight & Delivery Expenses	253,120
Selling Expenses	31,757
	<u>345,029</u>
Other Administration Expenses	
Auditors Remuneration	22,060
General Expenses - Office	45,072
Legal & Professional Charges	46,501
Postage & Telephones	16,936
Printing & Stationary	34,755
Rent, Rates & Taxes	38,042
	<u>203,366</u>
PER PROFIT AND LOSS ACCOUNT	<u>548,395</u>

SCHEDULE: 13**NOTES TO ACCOUNTS****1. Significant Accounting Policies****A. Basis of Preparation**

The financial statements have been prepared under the historical cost convention and materially comply with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 1956. All income and expenditure having material bearing on the financial statements have been recognized on the accrual basis.

B. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

- C.** 1/5th of the pre-operative expenses incurred are written off to the Profit & loss account every year commencing from the current financial year.

D. Fixed Assets and Depreciation

- a) Fixed assets to be stated at cost of acquisition / construction / revaluation less accumulated depreciation
- b) Depreciation on fixed assets to be provided on straight line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.
- c) On assets acquired during the year and assets sold during the year the depreciation has been provided pro rata for the period used.

E. Investments

Investments to be stated at cost.

F. Inventory

- a) Raw material, packing materials, Stores, Spares and Stock-in-transit to be valued at cost.
- b) Finished goods are valued at cost or market value whichever is lower. The cost includes cost of production and expenses incurred in putting the inventories in their present location and condition.
- c) Waste and scrap will not separately valued being insignificant in value

G. Revenue Recognition

- a) Revenue from sale of goods is recognized when the goods are handed over to the customer or his duly authorized agent
- b) Sales are accounted net of sales tax recovered, sales returns, trade discounts, rebates and allowances but include duties wherever applicable.

H. Employee Benefits

- a) Bonus to be accounted on accrual basis
- b) Gratuity will be provided on accrual basis and will be covered under the group gratuity scheme at the appropriate time.
- c) All employees are eligible for benefit under provident fund (PF) scheme. Provident Fund of 12% covered employees basic salary plus dearness allowance wherever applicable is deducted and paid alongwith company's contribution of an equal amount on a monthly basis to the government administered provident fund scheme and charged to profit and loss account.

I. Earning Per Share

Basic earning per Share is 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.

J. Impairment of Assets

The carrying amount of the Company's Assets are reviewed at each balance sheet date if any indication of any impairment exists, an impairment loss is recognized to the extent of the excess of the carrying amount over the estimated accountable amount.

K. Foreign Currency Transactions

The Company will follow the provision of accounting standards 11 as prescribed by ICAI though,

- a) There are no foreign currency transactions in the year under review.
- b) There are no Current Assets and Current Liabilities involving transactions in foreign currency in the year under review.

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

2. 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.

3. Leave Encashment

As per the policy of the company, employees are required to avail their annual leave by the end of the respective financial year and leave is not allowed to

be encashed and hence no provision is considered necessary.

4. Contingent Liability

- a) Guarantees issued to Revenue / Tax Authorities of Rs. 0.20 Lacs. (Previous Year Rs. NIL)

5. Income Tax

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profit offered for Income tax and profit as per financial statements.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted on the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date.

6. Deferred Tax: Accounting Standard - 22

Since there is no difference between taxable income & Accounting income, differed tax has not been adjusted and accounted for the year.

7. Earnings per Share

Particulars	Year Ended 31 st March 2010
Net Profit after tax as per Profit & Loss Account attributable to Equity Shareholders	1,305,790
Net Profit before exceptional items	1,305,790
Weighted Average number of Equity Shares used as denominator for calculating EPS	10,000
Basic & Diluted Earning per Share (Rs.)	130.58
Basic & Diluted Earning before exceptional items per Share (Rs.)	130.58
Face Value per Equity Share	10

Aries Agro Equipments Private Limited

8. Related Party Disclosure

Related Party Disclosure as Per Accounting Standard – 18 issued by The Institute of Chartered Accountants of India.

PART – A

DETAILS OF RELATED PARTIES (AS PER ACCOUNTING STANDARD 18)

Nature of Relationship	Name of Related Party	Remarks	
Holding Company	Aries Agro Limited	Date of becoming Subsidiary of Aries Agro Limited is 5th January, 2007 (Incorporation Date)	
Key Management Personnel	Dr. Jimmy Mirchandani Dr. Rahul Mirchandani	Director Director	
Relatives of Key Management Personnel	Name of Key Management Person	Name of Relative	Relationship
	Dr.Jimmy Mirchandani	Mrs.Sarasa Mirchandani Mr.Akshay Mirchandani Mr. Amol Mirchandani Dr.Rahul Mirchandani	Spouse Son Son Brother
	Dr.Rahul Mirchandani	Mrs.Nitya Mirchandani Master Armaan Mirchandani Dr.Jimmy Mirchandani	Spouse Son Brother
Enterprises in which the key Management Persons have total control	Mirabelle International	Prop. Dr. Jimmy Mirchandani	
Fellow Subsidiaries	Aries Agro Care Pvt. Ltd. Aries Agro Produce Pvt. Ltd. Golden Harvest Middle East FZC	A Wholly Owned Subsidiary of Aries Agro Ltd. A Subsidiary Company of Aries Agro Ltd. A Subsidiary Company of Aries Agro Ltd.	
Enterprises over which the Key Management Personnel have Significant influence or Control	Aries East West Nutrients Pvt. Ltd. Aries Marketing Ltd. Bloosoms International Ltd. Sreeni Agro Chemicals Pvt. Ltd.		

PART – B

DETAILS OF TRANSACTIONS WITH RELATED PARTIES

Sr. No.	Category	Nature of Service	Year Ended 31 st March 2010	Year Ended 31 st March 2009
1	Holding company	Finance unsecured loans – given	-	14,543
		Finance unsecured loans – taken	370,077	781,400
		Purchases	13,034,072	-
		Sales	220,303	-
		Payment (net of receipt) for goods	5,585,772	
		Receipts from sale of goods	220,303	

PART – C

BALANCE OUTSTANDING WITH RELATED PARTIES.

Nature of outstanding	Category	Name of the party	As on 31 st March 2010	As on 31 st March 2009
Unsecured loans	Holding company	Aries Agro Limited	11,338,644	3,520,2689.

9 Auditors Remuneration

Particulars	Year Ended 31 st March 2010	Year Ended 31 st March 2009
a. Statutory audit fees	11,030	22,060
b. Tax audit fees	5,515	-
c. Taxation matters	5,515	-
d. Certification	-	-

10. Foreign Exchange Earnings & Outflow:

During the year there was no foreign exchange earning, expenditure or outflow.

11. Outstanding Dues of SSI Units

As on 31st March 2010, the Company had no dues outstanding to any small scale Undertakings. There were no delays to making payment to any creditors during the year and hence the provisions of interest on delayed payments to small and ancillary unit Act, 1993 are not attracted.

12. (A) Additional information as per part II of schedule VI of the Companies Act, 1956 is as under:

(As certified by the management and relied upon by the auditor)

Licensed capacity : Not applicable

Installed capacity : Not applicable

(B) Actual Production : Nil

(C) Quantitative and turnover information, consumption of raw materials, details of turnover, stocks, and production etc. are not applicable.

13. The Previous years figures are re-arranged or re-grouped wherever is necessary. The company has started its commercial operations during the year only and hence there were no transactions in the profit & loss account during the previous year.

As per our Report of even date

For and on behalf of the Board

For Kirti D Shah & Associates
Chartered Accountants

Kirti D Shah
Proprietor
Membership No 32371

Dr Jimmy Mirchandani
Director

Dr Rahul Mirchandani
Director

Place : Mumbai.

Date : 30th June, 2010

Aries Agro Equipments Private Limited

**ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF
SCHEDULE VI OF THE COMPANIES ACT, 1956**

I Registration Details

Registration No. : U01403MH2007PTC166972
State Code : 11 Balance Sheet Date : 31032010

II Capital Raised during the year

Public Issue : NIL Rights Issue : NIL
Bonus Issue : NIL Private Placement : NIL

III Position of Mobilisation & Deployment of Funds (Rupees in Lacs)

Total Liabilities : 139.18 Total Assets : 139.18

Sources of Funds :

Paid-up Capital : 01.00 Reserves & Surplus : 13.06
Secured Loans : NIL Unsecured Loans : 113.39

Application of Funds

Net Fixed Assets : NIL Capital Work in Progress : NIL
Investments : NIL Net Current Assets : 96.07
Miscellaneous Expenditure : 31.38

IV Performance of the Company (Rupees in Lacs)

Turnover : 139.90 Total Expenditure : 120.84
Profit Before Tax : 19.06 Profit After Tax : 13.06
Earnings Per Share (Rs.) : 130.58 Dividend Rate : NIL

V Generic Names of Principal Products

Item Code No. (ITC Code) : 84248100
Product Description : Seeds for Sowing

As per our Report of even date

For and on behalf of the Board

For Kirti D Shah & Associates
Chartered Accountants

Kirti D Shah
Proprietor
Membership No 32371

Dr Jimmy Mirchandani
Director

Dr Rahul Mirchandani
Director

Place : Mumbai.

Date : 30th June, 2010

NOTICE OF 2ND ANNUAL GENERAL MEETING

Notice is hereby given that the Second Annual General Meeting of the Members of **ARIES AGRO PRODUCE PRIVATE LIMITED** will be held on the Wednesday, 15th September, 2010 at 12.30 p.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 Balance Sheet as at 31st March, 2010 and Profit and Loss Account for the year ended as on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint M/s. Kirti D. Shah & Associates, Chartered Accountants, Mumbai, as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

By Order of the Board

For Aries Agro Produce Private Limited

Place: Mumbai

Date: 30th June, 2010

Dr. Jimmy Mirchandani

Director

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 Second Annual Report together with Audited Statement of Accounts of the Company for the period ended 31st March, 2010.

1. FINANCIAL RESULTS :

The Company has incurred an expenditure of Rs. 25,490/- during the year under review and the same has been treated as Pre-Operative Expenses.

2. STATUS OF THE PROJECT :

The operations of the Company has not yet commenced which is likely to commence shortly. The Company has already entered into Memorandum of Understanding with the Government of Gujarat for Corporate Farming and Food Processing operations which is likely to commence in the current financial year.

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 :

The Directors are to report that there are no employees who were in receipt of remuneration in excess of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975.

6. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

Since the Company has not commenced commercial production during the period under review, report

Aries Agro Produce Private Limited

pertaining to conservation of energy and technology absorption are not applicable. During the year there were no Foreign Exchange earning, expenditure or outflow.

7. DIRECTORS:

In terms of Article 109 of the Articles of Association of the Company, Directors are not liable to retire by rotation.

8. AUDITORS :

M/s. Kirti D. Shah & Associates, Chartered Accountants, the Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

9. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 217 (2AA) of the Companies Act, 1956 with respect to the Directors' responsibility statement, it is hereby confirmed that:

1. In preparation of the Annual Accounts, applicable accounting standards have been followed.
2. The accounting policies are consistently applied and reasonable, prudent judgment and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors had prepared the Annual Accounts on a 'going concern' basis.

By Order of the Board
For Aries Agro Produce Pvt. Ltd.,

Place : Mumbai
Date : 30th June, 2010

Dr. Jimmy Mirchandani
Director

**AUDIT REPORT TO THE SHARE
HOLDERS OF ARIES AGRO PRODUCE
PVT. LTD.**

- i. We have audited the attached Balance sheet of **ARIES AGRO PRODUCE PRIVATE LIMITED**, as at 31st March, 2010. These financial statements are responsibility of the company management. Our responsibility is to express an opinion on these financial statements based on our audit.
- ii. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes
- (a) examining, on a test basis, evidence to support the financial statement amounts and disclosures in the financial statement
 - (b) assessing the accounting principles used in the preparation of financial statements
 - (c) assessing significant estimates made by the management in the preparation of the financial statements and
 - (d) evaluating overall financial statement presentation.
- We believe that our audit provides a reasonable basis for our opinion
- iii. The provisions of Companies (Auditor's Report) Order, 2003, (as amended from time to time) issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, are not applicable to the Company.
- iv. Further, we report that:
- a. We have 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 accounts as required by law, have been kept by the Company

so far as appears from our examination of the books of the Company;

- c. The Balance Sheet referred to in this report is in agreement with the books of accounts of the Company
- d. On the basis of written representations received from the directors, and taken on record by the Board of Directors, in our opinion, none of the directors is disqualified from being appointed as director u/s 274(l)(g) of Companies Act, 1956;
- e. In our opinion, the Balance Sheet dealt with by, this report comply with all material respects with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- f. The company is not a sick company within the meaning of section 3(1)(o) of the SICA Act, 1985. Hence there is no question of payment of cess as required under section 441 A of Companies Act;
- g. As all expenses are treated as Pre-Operative Expenses to be capitalized, the Company has not prepared Profit & Loss A/c;
- h. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet, together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in Conformity with the accounting principles generally accepted in India.
- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010.

For Kirti D. Shah & Associates
Chartered Accountants

Kirti D. Shah

Proprietor

Place: Mumbai

Date: 30th June, 2010

Membership No. 32371

ANNEXURE TO THE AUDITORS' REPORT

(This is the Annexure referred to in our Report of even date)

In terms of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state as under:

- i. a. The company does not have any Fixed assets hence maintenance of records showing full particulars including quantitative details and situation of its fixed assets does not arise.
- b. The company does not have any Fixed assets hence the question of physical verification & material discrepancies of the same does not arise.
- c. No parts of fixed assets have been disposed off during the period, which will affect its status as going concern.
- ii. a. There are no inventories during the year hence the question of physical verification by the management at reasonable intervals does not arise.
- b. The company does not have any inventories so the maintenance of records of inventory does not arise.
- iii. a. The company has taken loan from one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs. 129,460/- (Previous Year Rs. 111,485/-) and closing balance as on 31/03/2010 is Rs. 129,460/- (Previous Year Rs. 111,485/-).
The Company has not given interest free advances to any parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- b. As per information and explanation provided to us, the company has not granted any loans which are interest free. However other terms and conditions on which such loans and advances given to Companies, Firms or Other Parties listed in the Register maintained under section 301 are not, prima facie, prejudicial to the interest of the Company.
- c. The Company is regular in repaying the principal amounts as stipulated and has been regular in

Aries Agro Produce Private Limited

- the payment of interest wherever applicable
- d. As per the information given by the management, in case of overdue amount more than Rs.1.00 lakhs, the reasonable steps have been taken by the company for recovery of the principal and Interest.
 - iv. In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. In our opinion, there is no continuing failure to correct major weaknesses in internal control.
 - v. a. According to the information and explanation provided by the management, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the Register maintained under section 301 have been so entered.
 - b. The transactions made in pursuance of contracts or arrangements entered in the Register maintained under section 301 and exceeding value of Rupees Five Lakhs in respect of any party during the period have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
 - vi. The Company has not accepted deposits from the public. Hence, the question of complying the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Act and the rules framed there under, where applicable, does not arise.
 - vii. The paid up capital and reserve and surplus does not exceed 50 lacs as at the commencement of the financial year concerned or average annual turnover does not exceed 5 crore rupee for a period of three consecutive financial year immediately preceeding the financial year concerned, applicability internal audit does not arise
 - viii. Maintenance of the cost records has been prescribed by the Central Government under section 209 (1) (d) of the act and are not applicable to the company.
 - ix. a. The company is generally regular in depositing statutory dues including Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues except some occasional delays.

- b. Details of disputed liability in respect of tax dues on account of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess together with the status and the Forum before which such dispute is pending as on 31st March 2010 is Rs. NIL.
- x. The company has no accumulated losses. The company has not incurred cash losses in the financial period under report and in the financial period immediately preceding such financial period.
- xi. The company has not defaulted in repayment of dues to a financial institution or bank. The Company has not obtained any borrowings by way of debenture.
- xii. According to the records of the company, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The company is not a chit fund, Nidhi or mutual benefit fund/society.
- xiv. The company is not dealing or trading in shares, securities, debentures and other investments. The shares held by the Company have been held by the Company in its own name.
- xv. The company has not given any guarantee for loans taken by others from Banks or financial institutions.
- xvi. The company has not taken any term loans during the year under audit.
- xvii. The funds raised on short-term basis have not been used for long term investment and vice versa.
- xviii. According to the records of the Company and the information and explanation provided by the management, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- xix. The Company has not issued any debentures hence the clause XIX of the said order is not applicable to the company.
- xx. The Company has not raised any Capital during the year and hence the question whether the management has disclosed the end use of money raised by public issues and whether the same has been verified by us or not does not arise.
- xxi. During the checks carried out by us, any fraud on or by the Company has not been noticed or reported during the period under report.

For Kirti D Shah & Associates
Chartered Accountants

Kirti D. Shah

Proprietor

Place: Mumbai

Date: 30th June 2010

Membership No. 32371

BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	Schedule No.	As at 31 March 2010 Rupees	As at 31 March 2009 Rupees
I SOURCE OF FUNDS			
SHAREHOLDERS' FUNDS			
(a) Share Capital	1	100,000	100,000
		100,000	100,000
LOAN FUNDS			
(a) Unsecured Loans	2	129,460	111,485
		129,460	111,485
TOTAL		229,460	211,485
II APPLICATION OF FUNDS			
CURRENT ASSETS, LOANS & ADVANCES			
(a) Cash & Bank Balances	3	77,435	77,575
(b) Loans & Advances	4	22,425	22,425
		99,860	100,000
Less:- CURRENT LIABILITIES & PROVISIONS			
(a) Current Liabilities	5	22,060	14,685
		22,060	14,685
NET CURRENT ASSETS		77,800	85,315
MISCELLANEOUS EXPENDITURE	6	151,660	126,170
(To the extent not written off or adjusted)			
TOTAL		229,460	211,485
Significant Accounting Policies & Notes to Accounts	7		

As per our Report of even date

For and on behalf of the Board

For Kirti D Shah & Associates

Chartered Accountants

Kirti D Shah

Proprietor

Membership No 32371

Place : Mumbai.

Date : 30th June, 2010

Dr Jimmy Mirchandani

Director

Dr Rahul Mirchandani

Director

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2010

Particulars	Year Ended 31 March, 2010 Rupees	Year Ended 31 March, 2009 Rupees
A) Cash Flow from Operating Activities :-		
Net Profit Before Tax and Extraordinary Items	-	-
Adjustments for :-		
Miscellaneous Expenses to the extent not W/Off	(0.25)	(1.26)
Cash Flow from Operations before Working Capital Changes	(0.25)	(1.26)
(Increase) / Decrease in Loans & Advances	-	(0.22)
Increase / (Decrease) in Current Liabilities and Provisions	0.07	0.15
Cash Flow from Operating Activities	(0.18)	(1.34)
B) Cash Flow from Investing Activities :-		
Increase in Share Capital / Share Premium / Reserves	-	1.00
Cash Flow from Investing Activities	-	1.00
C) Cash Flow from Financing Activities :-		
Increase / (Decrease) in Borrowings	0.18	1.11
Cash Flow from Financing Activities	0.18	1.11
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(0.00)	0.78
Cash & Cash Equivalents at the Beginning of the Year	0.78	-
Cash & Cash Equivalents at the End of the Year	0.77	0.78

As per our Report of even date

For and on behalf of the Board

For Kirti D Shah & Associates

Chartered Accountants

Kirti D Shah

Proprietor

Membership No 32371

Place : Mumbai.

Date : 30th June, 2010

Dr Jimmy Mirchandani

Director

Dr Rahul Mirchandani

Director

Aries Agro Produce Private Limited

**SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET
AS AT 31ST MARCH, 2010**

Particulars	As at 31 March, 2010 Rupees	As at 31 March, 2009 Rupees
SCHEDULE 1 - SHARE CAPITAL		
Authorised		
500,000 Equity Shares of Rs. 10/- each	5,000,000	5,000,000
	5,000,000	5,000,000
Issued, Subscribed and Paid up Capital		
10,000 Equity Shares of Rs. 10/- each	100,000	100,000
(Previous Year 10,000 Equity Shares of Rs. 10/- each)		
PER BALANCE SHEET	100,000	100,000
SCHEDULE 2 - UNSECURED LOANS		
Loan from Holding Company	129,460	111,485
PER BALANCE SHEET	129,460	111,485
SCHEDULE 3 - CASH AND BANK BALANCES		
With Scheduled Banks on Current A/c	77,435	77,575
PER BALANCE SHEET	77,435	77,575
SCHEDULE 4 - LOANS & ADVANCES		
Advances to Creditors	22,425	22,425
PER BALANCE SHEET	22,425	22,425
SCHEDULE 5 - CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors		
(a) For Expenses	22,060	14,685
PER BALANCE SHEET	22,060	14,685
SCHEDULE 6 - MISCELLANEOUS EXPENDITURE		
(To the Extent not Written Off or adjusted)		
Pre-Operative Expenses		
Balance B/f	126,170	-
Add :- Additions during the Year	25,490	126,170
PER BALANCE SHEET	151,660	126,170

SCHEDULE - 7

NOTES TO ACCOUNTS

1. Significant Accounting Policies

A. Basis of Preparation

The financial statements have been prepared under the historical cost convention and materially comply with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 1956. All income and expenditure having material bearing on the financial statements have been recognized on the accrual basis.

B. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

- C. All the expenses incurred during the Construction period or pre operations period will be accumulated and charged under Pre operative expenses.

D. Fixed Assets and Depreciation

- Fixed Assets to be stated at cost of acquisition / construction / revaluation less accumulated depreciation
- Depreciation on Fixed Assets to be provided on straight line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.
- On assets acquired during the year and assets sold during the year the depreciation to be provided pro rata for the period used.

E. Investments

Investments to be stated at cost.

F. Inventory

- Raw material, packing materials, Stores, Spares and Stock-in-transit to be valued at cost.
- Finished goods to be valued at cost or market value whichever is lower. The cost to include cost of production and expenses incurred in putting the inventories in their present location and condition.
- Waste and scrap are not separately valued being insignificant in value

G. Revenue Recognition

- Revenue from sale of goods is recognized when the goods are handed over to the customer or his duly authorized agent
- Sales are accounted net of sales tax recovered, sales returns, trade discounts, rebates and allowances but include duties wherever applicable.

H. Employee Benefits

- Bonus to be accounted on accrual basis
- Gratuity will be provided on accrual basis and will be covered under the Group Gratuity Scheme at the appropriate time.
- All employees are eligible for benefit under provident fund (PF) scheme. Provident Fund of 12% covered employees basic salary plus dearness allowance wherever applicable is deducted and paid alongwith company's contribution of an equal amount on a monthly basis to the government administered provident fund scheme and charged to profit and loss account.

I. Earning Per Share

Basic earning per Share is 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.

J. Impairment of Assets

The carrying amount of the Company's Assets are reviewed at each balance sheet date if any indication of any impairment exists, an impairment loss is recognized to the extent of the excess of the carrying amount over the estimated accountable amount.

K. Foreign Currency Transactions

- a) The company will follow provision of Accounting Standards 11 as prescribed by ICAI though there are no Foreign Currency transactions in the year under review.
- b) There are no Current Assets and Current Liabilities involving transactions in foreign currency in the year under review.

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

2. 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

7. Related Party Disclosure

Related Party Disclosure as Per Accounting Standard – 18 issued by The Institute of Chartered Accountants of India.

Aries Agro Produce Private Limited

excess of the amounts considered reasonably necessary.

- c) The balances of Sundry Creditors, and Loans and Advances are subject to confirmation.

3. Leave Encashment

As per the policy of the company, employees are required to avail their annual leave by the end of the respective financial year and leave is not allowed to be encashed and hence no provision is considered necessary.

4. Contingent liability is generally not provided in the accounts but is disclosed by way of notes to accounts.

5. Income Tax

Since the company has not commenced the commercial production the question of any charge for income tax is not applicable.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted on the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date.

6. Deferred Tax: Accounting Standard - 22

In view of no commercial operations carried out during the year there are no deferred tax assets or liabilities.

PART – A

DETAILS OF RELATED PARTIES (AS PER ACCOUNTING STANDARD 18)

Nature of Relationship	Name of Related Party	Remarks
Holding Company	Aries Agro Limited	Date of becoming Subsidiary of Aries Agro Limited is 20th June 2008 (Incorporation Date)
Key Management Personnel	Dr. Jimmy Mirchandani Dr. Rahul Mirchandani	Director Director

Relatives of Key Management Personnel	Name of Key Management Person	Name of Relative	Relationship
	Dr.Jimmy Mirchandani	Mrs.Sarasa Mirchandani Mr.Akshay Mirchandani Mr. Amol Mirchandani Dr.Rahul Mirchandani	Spouse Son Son Brother
	Dr.Rahul Mirchandani	Mrs.Nitya Mirchandani Master Armaan Mirchandani Dr.Jimmy Mirchandani	Spouse Son Brother
Enterprises in which the key Management Persons have total control	Mirabelle International	Prop. Dr. Jimmy Mirchandani	
Fellow Subsidiaries	Aries Agro Equipments Pvt. Ltd. Aries Agro Care Pvt. Ltd. Golden Harvest Middle East FZC	A Wholly Owned Subsidiary of Aries Agro Ltd. A Wholly Owned Subsidiary of Aries Agro Ltd. A Subsidiary Company of Aries Agro Ltd.	
Enterprises over which the Key Management Personnel have Significant influence or Control	Aries East West Nutrients Pvt. Ltd. Aries Marketing Ltd. Bloosoms International Ltd. Sreeni Agro Chemicals Pvt. Ltd.		

PART – B

DETAILS OF TRANSACTIONS WITH RELATED PARTIES

Sr. No.	Category	Nature of Service	Year Ended 31 st March 2010	Year Ended 31 st March 2009
1	Holding company	Finance unsecured loans – taken	17,975	111,485

PART – C

BALANCE OUTSTANDING WITH RELATED PARTIES.

Nature of outstanding	Category	Name of the party	As on 31 st March 2010	As on 31 st March 2009
Unsecured loans	Holding company	Aries Agro Limited	129,460	111,485

8. Auditors Remuneration

Particulars	Year Ended 31 st March 2010	Year Ended 31 st March 2009
a. Statutory audit fees	11,030	11,030
b. Tax audit fees	-	-
c. Taxation matters	-	-
d. Certification	-	-

9. Foreign Exchange Earnings & Outflow:

During the year there were no Foreign Exchange earnings, expenditure or outflow.

10. Outstanding Dues of SSI Units

As on 31st March 2010, the Company had no dues outstanding to any small scale Undertakings. There were no delays to making payment to any creditors during the year and hence the provisions of Interest on Delayed Payments to Small and Ancillary unit Act, 1993 are not attracted.

11. (A) Additional Information as per Part II of Schedule VI of the Companies Act, 1956 is as under:

(As certified by the management and relied upon by the Auditor)

Licensed Capacity : Not Applicable

Installed Capacity : Not Applicable

(B) Actual Production : NIL

(C) Quantitative and Turnover information, Consumption of Raw Materials, details of Turnover, Stocks, and Production etc. are not applicable.

12. 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 and on behalf of the Board

For Kirti D Shah & Associates

Chartered Accountants

Kirti D Shah

Proprietor

Membership No 32371

Place : Mumbai.

Date : 30th June, 2010

Dr Jimmy Mirchandani

Director

Dr Rahul Mirchandani

Director

**ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF
SCHEDULE VI OF THE COMPANIES ACT, 1956**

I Registration Details

Registration No. : U01403MH2008PTC183789
State Code : 11 Balance Sheet Date : 31032010

II Capital Raised during the year

Public Issue : NIL Rights Issue : NIL
Bonus Issue : NIL Private Placement : NIL

III Position of Mobilisation & Deployment of Funds (Rupees in Lacs)

Total Liabilities : 2.52 Total Assets : 2.52

Sources of Funds :

Paid-up Capital : 01.00 Reserves & Surplus : NIL
Secured Loans : NIL Unsecured Loans : 1.29

Application of Funds

Net Fixed Assets : NIL Capital Work in Progress : NIL
Investments : NIL Net Current Assets : 0.78
Miscellaneous Expenditure : 1.52

IV Performance of the Company (Rupees in Lacs)

Turnover : NIL Total Expenditure : NIL
Profit Before Tax : NIL Profit After Tax : NIL
Earnings Per Share (Rs.) : NIL Dividend Rate : NIL

V Generic Names of Principal Products

Item Code No. (ITC Code) : 071080
Product Description Farming & Agricultural Produce

As per our Report of even date

For and on behalf of the Board

For Kirti D Shah & Associates
Chartered Accountants

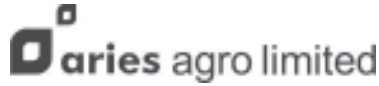
Kirti D Shah
Proprietor
Membership No 32371

Dr Jimmy Mirchandani
Director

Dr Rahul Mirchandani
Director

Place : Mumbai.

Date : 30th June, 2010



40th 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/

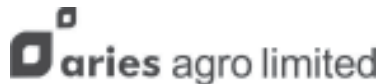
PROXY.....

No. of Shares held :

I / We hereby record our presence at the **Fortieth Annual General Meeting** held on **Friday, the 17th September, 2010** at The Acres Club, Hemu Kalani Marg, Chembur, Mumbai – 400 071.

SIGNATURE OF THE SHAREHOLDER / PROXY*

*Strike out whichever is not applicable



40th ANNUAL GENERAL MEETING

Registered Office : Aries House, Plot No. 24, Deonar, Govandi, (East), Mumbai-400 043.

PROXY FORM

I / We

ofbeing 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

Fortieth Annual General Meeting of the Company to be held on **Friday, the 17th September, 2010** and at any adjournment thereof.

Affix
Re.1/=
Revenue
Stamp

Signed thisday of, 2010

All India Chairman's Club Annual Convention in UAE - April 2010



Amarak Chemicals FZC, Fujairah: Manufacturing unit to produce 60,000MT per annum of Sulphur Bentonite



Bal Krishak Sambodhan: Awareness Session on Best Practices in Bhola Singh High School - Muzzafarpur



Bal Krishak Sambodhan: Awareness Session on Best Practices in Vidya Mandir High School - Samstipur



Aries ISO 9001:2008 Certificate: Upgraded to latest global standard of Quality Certificate



Hon'ble Chief Minister of Haryana Shri Bhupinder Singh Hooda inaugurating Agromax at Haryana Agricultural University Hissar campus - Haryana, 2,500 farmers attended the two day event



Soil testing activity in Bihar - A part of our nationwide mobile soil testing drive, through Aries KVV's and extension services team.



Mobile soil testing kits in use



Aries Agro kiosk at the weekly market in Jalgaon - Maharashtra



Suryodaya farmers awareness programme - Gujarat

BOOK POST