44th

ANNUAL REPORT

2013 - 14

aries agro limited

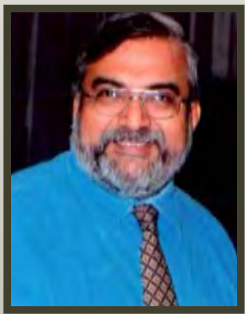
Energizing Earth

Board of Directors

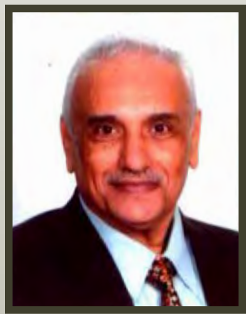
Dr. Jimmy Mirchandani
Chairman and Managing Director

Dr. Rahul Mirchandani
Executive Director

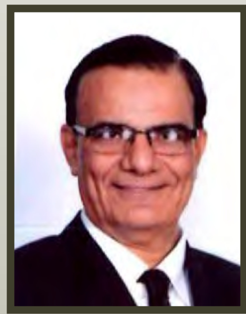
Mrs. Nitya Mirchandani
Additional Director



Prof. R.S.S. Mani
Independent Director



Mr. C. B. Chhaya
Independent Director



Mr. B. V. Dholakia
Independent Director

Aries Agro receiving the INC India 500 award for the 3rd year in a row

INC. INDIA
innovative 100
2013

CERTIFICATE OF EXCELLENCE

Aries Agro Ltd

In recognition of smart innovation

Anuradha Das Mathur
Publisher, Inc.India

Shreyasi Singh
Managing Editor, Inc.India

bharti

Inc.

All India
Strategy Meet at
Indian School of Business,
Hyderabad

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Members,

It is with great pleasure that I present to you the 44th Annual Report of your Company, Aries Agro Limited.

During 2013-14, the year under review in this Report, monsoons were reported to be above normal at over 106% of the long term average. However, the extended rains delayed the sowing for the second season and this was followed by extreme cold wave condition across North India during the winter. The extended monsoon provided a good Kharif revenue growth. However, the Rabi revenues were affected due to the cold waves. These factors led to your company's revenue increase by 24.69%.

Our overseas manufacturing units (Subsidiaries) have started supplying to Brazil, Australia, New Zealand, Sri Lanka, Pakistan, Bangladesh, Vietnam, Taiwan, Ecuador, Trinidad, Zambia, Kenya, Singapore and United Kingdom. International sales accounted for 27% of total group consolidated revenue. Distributors are being appointed on an ongoing basis and we expect export and global sales to continue to grow and form 30% of the group revenues of the Company by Financial Year 2014-15.

Aries has always recognized that its business is working capital intensive and with the objective of reducing working capital load, the Company has taken several steps like reducing number of brands from 84 to 65, number of Stock Keeping Units (SKU) were reduced by 67 Nos, sales depots were asked to maintain inventory of only the brands that provide them with 80% of their total turnover with the balance 20% being supplied on a need only basis. As a result of working capital control being established the number of days inventory reduced by 44 days and debtors cycle reduced by 12 days during the year under review.

The rising costs of raw materials, fuel, processing, labour, USD exchange rate and interest rates continue to remain a cause of concern and have impacted the Company during the entire financial year. As a result the Company has raised its billing rates in 3 quarters of the financial year for its entire range of products, a major portion of the cost increase is yet to be passed on to the market. With depressed demand situation especially in the second half of the year, it was considered prudent not to increase prices beyond a point with an intention to retain interest of farmers in using specialty plant nutrients. Cost control on production and administrative costs have only partially been able to counter this inflationary pressure.

During the previous financial year the Company had considered prudent to reduce the man power employed in various areas. However, considering the widespread operations and increased market penetration some of these staff needed to be replaced and such recruitment was carried out in phases during the year under review, as a result of which the total staff strength increased from 748 to 785. However, further recruitment of man power is now subject to prior approval and specific norms viz return per person employed. These norms are set in consultation with the State Heads during the Annual Planning meetings.

Aries has sourced 30% of its total raw materials from overseas suppliers located in China, Israel, Turkey, U.A.E., U.S.A, U.K., Belgium, and South Africa. Imports constitute 40% of our total purchases and our Company has identified a pool of reliable overseas suppliers.

Aries' total capacity utilization currently stands at 48 % of the total installed capacity of 84,600 MT p.a. in India. Our international manufacturing facilities at UAE have also shown improved capacity utilization which currently stands at 39 % of the total installed capacity overseas.

Aries' extension team continues to strongly advocate good agricultural practices in all states of India. The activities are conducted under the supervision of Agronomist and Agricultural Research Institutions throughout the year. During the year under review 2532 knowledge dissemination activities including farmers meeting were undertaken impacting 54215 number of farmers. These sessions were conducted by team of 52 extension officials spread across five states.

The Company has organized during the year soil testing camps in Andhra Pradesh using Mobile Soil Testing Kits which analyse 7 parameters including pH, EC, NPK levels in soil, micro nutrient levels including Zinc, Ferrous, Boron, Organic Carbon, etc. Approximately 1840 Soil Health Cards were issued to farmers providing an additional service in order that they understand the specific nutrient needs of their farms.

As part of the Aspen India Leadership initiative, the Company undertook a programme of adopting 4 villages in 4 states with an intent to develop good agricultural practices standard for key crops of India. Standardized Farming practices have been drawn up for mustard, wheat, rice and sugarcane, based on the field work carried out so far. Documentation of these practices has been completed along with cost benefit analysis. Awareness sessions on the benefits of adoption of these practices have been explained through a series of farmers meetings in the 4 target states of Rajasthan, Andhra Pradesh, Orissa and Maharashtra.

Aries partnered with Confederation of Indian Industry's India @ 75 National Volunteering Week (12th January to 18th January, 2014), during which a series sources of activities were undertaken in 6 states of Rajasthan, Andhra Pradesh, Odisha, Uttarakhand, Chhattisgarh and Maharashtra. The sessions focused on impact of climate change on Indian agriculture and how balanced plan nutrition and integrated crop management can help farmers deal with climate change.

The 2014 monsoons have been extremely delayed and all forecasts indicate that the year shall be a drought year due to the El-Nino phenomenon. The Company has carried out extensive offseason placement during the first quarter in order to place on shelves with Aries products in advance of the season. Hence the Company shall be actively monitoring the progress of monsoon and also increasing its focus on non rain dependant agriculture namely plantations, irrigated districts, perennial crops and river basins, in addition to our focus on aquaculture farm equipment products will also continue despite the monsoon situation.

For the third consecutive year, we were awarded **"Certificate of Excellence' in recognition of our Exemplary Growth** – in this year's Inc India 500 ranking of India's 500 fastest-growing mid-size enterprises. Inc. India 500 is an offshoot of the annual Inc. 500 Awards: "Est. in 1982 in America. Inclusion on this list is a mark of entrepreneurial success and elevates our company above its competitors and is a proof of the talent, drive and hard work our team have brought to our business.

We were also awarded the **'Innovative 100 – Certificate of excellence'** in recognition of smart innovation by 9.9 Media & Inc. India

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 years ahead.

Sincerely,

Dr Jimmy Mirchandani
Chairman & Managing Director

Balance Sheet as at March 31, 2014 Statement of Profit & Loss for the year ended March 31, 2014 with Director's Report	44th Annual Report 2013 - 2014

BOARD OF DIRECTORS

Dr. Jimmy Mirchandani
Chairman & Managing Director

Dr. Rahul Mirchandani
Executive Director

Prof. R. S. S. Mani,

Mr. Akshay Mirchandani upto 30.05.2014

Mr. C. B. Chhaya

Mr. B. V. Dholakia

Mrs. Nitya Mirchandani w.e.f. 30.05.2014

AUDIT COMMITTEE

Prof. R. S. S. Mani, Chairman

Dr. Rahul Mirchandani

Mr. B. V. Dholakia

SHARE HOLDERS/INVESTORS GRIEVANCES COMMITTEE

Prof. R. S. S. Mani, Chairman

Dr. Jimmy Mirchandani

Dr. Rahul Mirchandani

REMUNERATION COMMITTEE

Prof. R. S. S. Mani, Chairman

Mr. C. B. Chhaya

Mr. B. V. Dholakia

TREASURY COMMITTEE

Dr. Jimmy Mirchandani, Chairman

Dr. Rahul Mirchandani

Mr. C. B. Chhaya

CHIEF FINANCIAL OFFICER

Mr. S. Ramamurthy

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Qaiser P. Ansari

AUDITOR

Kirti D. Shah and Associates

INTERNAL AUDITOR

Kirit Manek & Co.

COST AUDITOR

R. Nanabhoy & Co.

BANKERS

AXIS Bank Limited
ICICI Bank Limited
HDFC Bank Limited
Canara Bank

BRANCHES/STOCK LOCATIONS

Ahmedabad, Gujarat
Bangalore, Karnataka
Bellary, Karnataka
Bhubaneshwar, Orissa
Coimbatore, Tamil Nadu
Ghaziabad, Uttar Pradesh
Guwahati, Assam
Hissar, Haryana
Hyderabad, Telangana
Indore, Madhya Pradesh
Jaipur, Rajasthan
Jalandhar, Punjab
Kolkata, West Bengal
Lucknow, Uttar Pradesh
Nagpur, Maharashtra
Nashik, Maharashtra
Nipani, Karnataka
Patna, Bihar
Raipur, Chhatisgarh
Ranchi, Jharkhand,
Rudrapur, Uttaranchal
Siliguri, West Bengal
Solapur, Maharashtra
Sriganganagar, Rajasthan
Vijayawada, Andhra Pradesh

MANUFACTURING LOCATIONS

Mumbai
Bangalore
Hyderabad
Kolkata
Chhatral
Lucknow
Sharjah, UAE (Subsidiary Company)
Fujairah, UAE (Subsidiary Company)

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

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Forty Forth Annual General Meeting of the Members of **ARIES AGRO LIMITED** will be held on Friday, the 26th September, 2014 at 10.00 a.m. at The Chembur Gymkhana, 16th Road, Chembur, Mumbai-400 071, to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March, 2014 and Statement of Profit and Loss 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 31.03.2014.

3. To appoint a Director in place of Dr. Rahul Mirchandani who retires by rotation and being eligible offers himself for re-appointment.

4. Appointment of Auditors

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

"**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. Kirti D. Shah & Associates, Chartered Accountants, Mumbai,(Membership No. 32371 and having peer review certificate issued by the Institute of Chartered Accountants of India), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Forty Seventh AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

5. Appointment of Mrs. Nitya Mirchandani as a Director of the Company

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

"**RESOLVED THAT** Mrs. Nitya Mirchandani(DIN: 06882384), who was appointed by the Board of Directors as an Additional Director with effect from 30th May, 2014 under Sections 161 & 149(1) of the Companies Act, 2013 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 160 of the Companies Act, 2013 proposing her 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."

6. Appointment of Prof R. S. S. Mani as an Independent 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** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Prof. R. S. S. Mani (DIN 00527270), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 25th September, 2019."

7. Appointment of Mr. Chakradhar Bharat Chhaya as an Independent 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** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Chakradhar Bharat Chhaya (DIN 00968966), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, , be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 25th September, 2019."

8. Appointment of Mr. Bhumitra Vinodchandra Dholakia as an Independent 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** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Bhumitra Vinodchandra Dholakia (DIN 01871816), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 25th September, 2019."

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

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

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/S R. Nanabhoy & Co., the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration of Rs.

1,85,000/-(Rupees One Lakh Eighty Five Thousands Only) p.a. plus Service Tax and reimbursement of Out of Pocket Expenses at actual."

10. Authorization for Borrowing Money under Section 180(1) (c) of the Companies Act, 2013

To consider and if thought fit, to pass with or without modification(s) the following resolutions as a **SPECIAL RESOLUTION**:

"**RESOLVED THAT** subject to the provisions of Section 180 (1) (c) of the Companies Act, 2013 and other applicable provisionsof the Companies Act, 1956 and the Companies Act, 2013 including any statutory modifications or re-enactments thereof and in supersession of all the earlier resolutions passed in this regard, the Board of Directors (hereinafter referred to as the Board), including any committee thereof for the time being exercising the powers conferred on them by this resolution, be and are hereby authorized to borrow money, as and when required, from, including without limitation, any Bank and/or Public Financial Institution as defined under Section 2 (72) of the Companies Act, 2013 and/or eligible foreign lender and/or any entity/entities and/or authority/authorities and/ or through suppliers credit, any other securities or instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures, commercial papers, short term loans or any other instruments and/or through credit from official agencies and/ or by way of commercial borrowings from the private sector window of multilateral financial institution, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding Rs. 500.00 Crores (Rupees Five Hundred Crores Only), notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specified purpose."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

11. Authorization for Creation of Charges on the assets of the Company under Section 180(1)(a) of the Companies Act, 2013

To consider and if thought fit, to pass with or without modification(s), the following resolutions as a **SPECIAL RESOLUTION**:

"**RESOLVED THAT** pursuant to the provisions of Section 180 (1) (a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modifications or re-enactments thereof the members of the Company hereby accord their consent to the Board of Directors, including any committee thereof for the time being exercising the powers conferred on them by this resolution, to create mortgage and/or charge on all or any of the moveable and/or immovable assets of the Company, both present and future and/or whole or any part of the Company in favour of the lenders, agents, trustees for securing the borrowings of the Company availed/to be availed by way of loans (in foreign currency and/or in Indian currency) and securities (comprising of fully/partly convertible debentures and/or secured premium notes and/or floating rates notes/ bonds or other debt instruments) issued/to be issued by the Company from time to time, in one or more tranches, upto an aggregate limit of Rs. 500.00 Crores (Rupees Five Hundred Crores Only) together with interest as agreed, additional interest in case of default, accumulated interest, liquidated damages and commitment charges, all other costs, charges and expenses and all other monies payable by the Company in terms of respective loan agreement(s) or any other document entered / to be entered into between the Company and the lenders/agents/investors and trustees in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or any committees thereof and the lenders, agents or trustees."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to finalise the terms and conditions for creating the aforesaid mortgage and/or charge and to execute the documents and such other agreements and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to the above resolution."

By Order of the Board

Place: Mumbai — **Qaiser P. Ansari**
Date: 13th August, 2014 — **Company Secretary**

NOTES:

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

   Pursuant to the provision of Section 105 of the Companies Act, 2013 a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Corporate Members intending to send their Authorised Representatives to attend the Meeting are requested to send to the Company a Certified Copy of the Board Resolution authorizing their Representative to attend and Vote on their behalf at the Meeting.
4. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, 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, 20th September, 2014 to Friday, 26th September, 2014 (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 29th September, 2014 to those members whose names appear on the Register of Members on 19th September, 2014 after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 12th September, 2014. 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 19th September, 2014 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. The Securities and Exchange Board of India (SEBI) has made it mandatory to print the Bank Details of the Investors on the physical payment instruments, if any payment is made to Investors by physical payment instrument. Members holding shares in physical form are requested to immediately submit their Bank Details to the Company/Registrars and Transfer Agents, M/s Aarthi Consultants Private Limited.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number(PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrars and Transfer Agents, M/s Aarthi Consultants Private Limited.
14. 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.
15. **Members are requested to bring their copy of the Annual Report to the Annual General Meeting.**
16. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
17. Non-Resident Indian Members are requested to inform Aarthi Consultants Private Limited, immediately of:
    a) Change in their residential status on return to India for permanent settlement.
    b) Particulars of their Bank Account maintained in India with complete Name, Branch, Account Type, Account Number and address of the Bank with Pin Code Number, if not furnished earlier.
18. All the shareholders are requested to register their email IDs with the Company or with the Registrar and Share Transfer Agents and thereby implement the "Green Initiative" as per the Circular No. 17/2011 dated April 21, 2011 and No. 18/ 2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of Notices/ Documents and Annual Reports to shareholders. Members holding shares in electronic mode or in physical mode are requested to update their email addresses by writing to the Company directly to the Company Secretary, Aries Agro Limited, Aries House, Plot No. 24, Deonar, Govandi(E), Mumbai-400 043 or to the Registrar and Transfer Agents at their address mention below.
19. The Company has submitted with the MCA the List of Un-Paid Dividends and the IPO Application Money Refund as on the date of the last AGM i.e. and the same is also displayed in the Investor Relations Section on our web-site at www.ariesagro.com.
20. In accordance with the Companies Act, 2013 read with the Rules, the Annual Reports are sent by electronic mode to those members whose shareholding is in dematerialised format and whose email ids are registered with the Depository for communication purposes. The members holding shares in physical form and who have not registered their email ID are requested to register their email ID addresses with M/S Aarathi Consultants Private Limited the Company's Registrars and Transfer Agents.
21. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with M/S Aarathi Consultants Private Limited / Depositories.

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

Particulars required	**Information**
Name of the Director	Dr. Rahul Mirchandani
Date of Birth	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 Stake Holders Relationship Committee.
Directorship in other Companies	Sreeni Agro Chemicals Ltd. Aries East-West Nutrients Pvt. Ltd. Blossoms International Ltd. Aries Marketing Ltd. Aries Agro Care Pvt. Ltd. Aries Agro Equipments Pvt. Ltd. Aries Agro Produce Private Limited Golden Harvest Middle East FZC
Membership of Audit Committee of other Public Limited Companies	NIL
Membership of any other Committee of other Public Limited Companies.	NIL

Particulars required	**Information**
Name of the Director	Mrs. Nitya Mirchandani
Date of Birth	29th January, 1978
Date of Appointment	30th May, 2014
Expertise in specific functional areas	Woman Director
Qualifications	B.A., Diploma in Human Resource Management
Chairman/Member of the Committees of the Board of Directors of the Company.	NIL
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

Independent Directors

Particulars required	**Information**
Name of the Director	Prof R. S. S. Mani
Date of Birth	31st May, 1963
Date of Appointment	16th August, 2004
Expertise in specific functional areas	Independent Director
Qualifications	B.Sc./M.A.Personnel Management & Industrial Relations, TISS
Chairman/Member of the Committees of the Board of Directors of the Company.	Chairman of Audit Committee, Nomination and Remuneration Committee and Chairman of Stake Holders Relationship Committee
Directorship in other Companies	Aries Agro Care Private Limited Aries Agro Equipments Private Limited
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., FCMA, CAIIB.
Chairman/Member of the Committees of the Board of Directors of the Company.	Member of Nomination and Remuneration Committee. Member of the Treasury Committee.
Directorship in other Companies	1. Credila Financial Services Private Limited 2. Texmo Pipes & Products Limited 3. Yalamanchili Software Exports Limited
Membership of Audit Committee of other Public Limited Companies	1. Texmo Pipes & Products Limited –Member Audit Committee 2. Credila Financial Services Private Limited-Member 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 Nomination and Remuneration Committee and Chairman of Stake Holders Relationship Committee

Particulars required	Information
Name of the Director	Mr. Bhumitra Vinodchandra Dholakia
Date of Birth	3rd September, 1949
Date of Appointment	13th November, 2012
Expertise in specific functional areas	Independent Director
Qualifications	B.A., LL.B., CAIIB. FCS.
Chairman/Member of the Committees of the Board of Directors of the Company.	Member of Audit Committee. Member of the Remuneration Committee.
Directorship in other Companies	1. Mruga Corporate Services Limited 2. Rapicut Carbides Limited
Membership of Audit Committee of other Public Limited Companies	NIL
Membership of any other Committee of other Public Limited Companies.	1. Rapicut Carbides Limited - Chairman of Audit Committee and Chairman of Nomination and Remuneration Committee

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

AARTHI CONSULTANTS PRIVATE LIMITED
1-2-285, Domalguda, Hyderabad – 500 029, Telangana, India
Tel : +91-40-27634445 / 27642217, Fax: +91-40-27632184
E-mail: aries@aarthiconsultants.com Website: www.aarthiconsultants.com

24. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 44th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CSDL).

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

(i) The voting period begins on Saturday, 20th September, 2014 at 10.00 a.m. and ends on Monday, 22nd September, 2014 at 6.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, 12th September, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period

(iii) Click on "Shareholders" tab.

(iv) Now, select the Company "ARIES AGRO LIMITED" from the drop down menu and click on "SUBMIT"

(v) Now Enter your User ID

- **a.** For CDSL: 16 digits beneficiary ID,
- **b.** For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- **c.** Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number(Available in the Address label pasted in the cover and/or in the e-mail sent to the members) in the PAN field. ● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. ● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on “SUBMIT” tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the Company <ARIES AGRO LIMITED> on which you choose to vote.

(xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

(xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Note for Institutional Shareholders

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.co.in and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

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

The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956/ SECTION 102 (1) OF THE COMPANIES ACT, 2013

Item No. 5

Appointment of Mrs. Nitya Mirchandani as a Director of the Company

At the meeting of the Board of Directors held on 30th May, 2014, Mrs. Nitya Mirchandani(DIN: 06882384) was appointed as an Additional Director with effect from 30th May, 2014, to hold office till the date of the next Annual General Meeting of the Company. The Company has received a notice in writing from a Member under the provisions of Section 160 of the Companies Act, 2013, together with the requisite deposit, proposing her candidature for the office of a Director

Brief profile of Mrs. Nitya Mirchandani in terms of Clause 49 of the Listing Agreement is given in the annexure to the Notice.

Mrs. Nitya Mirchandani is a Bachelor of Arts in Psychology from Swami Vivekananda College of Commerce, Arts & Science, Mumbai and holds a Diploma in Human Resource Management from Narsee Monjee Institute of Management Studies, Mumbai. She has completed a diploma in Advertising from the British Council, Mumbai and has interest in Children's Education and Counseling Psychology.

Mrs. Nitya Mirchandani holds 3,000 Equity Shares of the Company representing 0.02 % of the Paid Up Capital of the Company.

The Board of Directors are confident that she will be of great value to the Company and hence recommend the resolution for your approval as set out under item No. 5 of the Notice.

Dr. Jimmy Mirchandani, Dr. Rahul Mirchandani and Mrs. Nitya Mirchandani are concerned or interested in the said resolution.

Item No. 6, 7 & 8

Appointment of Independent Directors for a Term of 5(five) years in terms of Section 149 of the Companies Act, 2013 & Clause 49 of the Listing Agreement

Prof. R. S. S. Mani , Mr. Charadhar Bharat Chhaya and Mr. Bhumitra Vinodchandra Dholakia are Independent Directors of the Company and have been holding the positions.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement *inter alia* stipulating the conditions for the appointment of Independent Directors by a Listed Company.

It is proposed to appoint Prof. R. S. S. Mani , Mr. Charadhar Bharat Chhaya and Mr. Bhumitra Vinodchandra Dholakia as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to the conclusion of the 47th Annual General Meeting of the Company in the calendar year 2019.

Prof. R. S. S. Mani , Mr. Charadhar Bharat Chhaya and Mr. Bhumitra Vinodchandra Dholakia are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

Since all the Independent Directors are presently holding office of the Directors and duly appointed by the shareholders at the respective Annual General Meetings the provisions of Section 160 of the Companies Act, 2013 are not applicable and hence there is no need for the proposals for their appointments from the members along with requisite amount of deposit.

The Company has also received declarations from Prof. R. S. S. Mani , Mr. Charadhar Bharat Chhaya and Mr. Bhumitra Vinodchandra Dholakia that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Prof. R. S. S. Mani , Mr. Charadhar Bharat Chhaya and Mr. Bhumitra Vinodchandra Dholakia fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Prof. R. S. S. Mani , Mr. Charadhar Bharat Chhaya and Mr. Bhumitra Vinodchandra Dholakia are independent of the management.

Brief resume of Prof. R. S. S. Mani , Mr. Charadhar Bharat Chhaya and Mr. Bhumitra Vinodchandra Dholakia, nature of their expertise in specific functional areas and names of Companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Copies of the draft letters for respective appointments of Prof. R. S. S. Mani, Mr. Charadhar Bharat Chhaya and Mr. Bhumitra Vinodchandra Dholakia as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Prof. R. S. S. Mani , Mr. Charadhar Bharat Chhaya and Mr. Bhumitra Vinodchandra Dholakia are interested in the resolutions set out respectively at Item Nos. 6, 7 & 8 of the Notice with regard to their respective appointments.

The relatives of Prof. R. S. S. Mani, Mr. Charadhar Bharat Chhaya and Mr. Bhumitra Vinodchandra Dholakia may be deemed to be interested in the resolutions set out respectively at Item Nos. 6, 7 & 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolutions set out at Item Nos. 6, 7 & 8 of the Notice for approval by the shareholders.

Item No. 9

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

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 for a remuneration of Rs. 1,85,000/-(Rupees One Lakh Eighty Five Thousands Only) p.a. plus Service Tax and reimbursement of Out of Pocket Expenses at actual.

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

Item No. 10

Authorization for Borrowing Money under Section 180(1)(c) of the Companies Act, 2013

As per Section 180 (1) (c) of the Companies Act, 2013, borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Company beyond the aggregate of the paid up capital of the company and its free reserve requires approval from the shareholders of the Company.

With a view to meet the funds requirements of all the Company for both short term as well as long term, the Company may require to borrow from time to time by way of loans and/or issue of Bonds, Debentures or other securities and it is therefore recommended to set the borrowing limits of the Company upto Rs. 500.00 Crores (Rupees Five Hundred Crores Only).

The Directors recommend the resolution for members' approval as a Special Resolution.

None of the Directors or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

Item No. 11

Authorization for Creation of Charges on the assets of the Company under Section 180(1)(a) of the Companies Act, 2013

The Company is required to create security for the said facilities as mentioned under Item No. 10 above in favour of the Lenders/ Trustees for the Non Convertible Debentures and loans/ financial assistance availed by the Company, by way of creation of mortgage and/ or charge on the assets of the Company, as stated in the resolution.

In furtherance to the Resolution No. 10 of this notice, the said borrowings/ issue of securities may be required to be secured by way of mortgage/ charge over all or any part of the movable and/or immovable assets of the Company and as per provisions of Section 180 (1) (a) of the Companies Act 2013, the mortgage or charge on all or any part of the movable and/or immovable properties of the Company, may be deemed as the disposal of the whole, or substantially the whole, of the undertaking of the Company and hence, requires approval from the shareholders of the Company.

Accordingly, it is proposed to pass an enabling resolution authorizing the Board to create charge on the assets of the Company for a value not exceeding Rs. 500.00 Crores (Rupees Five Hundred Crores Only).

Your Directors recommend the resolution for your approval as a Special Resolution.

None of the Directors or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

By Order of the Board

Place: Mumbai — **Qaiser P. Ansari**
Date: 13th August, 2014 — Company Secretary

DIRECTORS' REPORT

To
The Members,
Aries Agro Limited

Your Directors have pleasure in presenting their 44th Annual Report on the operations of the Company together with the Audited Statements of Accounts for the Financial Year ended 31st March, 2014.

FINANCIAL RESULTS

(Rs. In Lakhs)

PARTICULARS	**AS AT 31.03.2014**		AS AT 31.03.2013	
Total Revenue		**23,512.73**		18,999.06
Profit Before Tax Interest & Depreciation		**4,476.20**		3,688.75
Less: Interest	**2,488.27**		2100.54	
Depreciation	**146.96**		184.77	
Profit Before Tax		**1,840.97**		1,403.44
Provision for Taxation	**657.75**		7.85	
Deferred Tax	**(2.46)**	**655.29**	424.80	432.66
Profit After Tax		**1,185.68**		970.79
Balance Brought Forward		**5,500.69**		4,894.77
Exceptional Items	**32.66**	**32.66**	36.65	36.65
Amount available for appropriation		**6,653.71**		5,828.91
General Reserve		**100.00**		100.00
Proposed Dividend		**260.08**		195.07
Tax on Proposed Dividend		**44.20**		33.15
Surplus Carried Forward to Balance Sheet		**6,249.43**		5,500.69

OPERATIONS

During the year under review, the earnings before Interest, Depreciation and Tax was Rs. 4,476.20 Lakhs compared to Rs. 3,688.75 Lakhs in the previous year. The Total Revenue for the year net of excise duty was Rs. 23,286.50 Lakhs as against Rs. 18,675.87 Lakhs in the previous year reflecting in an increase of 24.69 %. Profit after tax for the year was Rs. 1,185.68 Lakhs compared to Rs. 970.79 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 in our product portfolio. In total, Aries has 65 brands. For detailed discussion please refer to the Management Discussion Analysis forming part of this report.

CONSOLIDATED FINANCIAL STATEMENT

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

The Consolidated Profit Before Interest, Depreciation, Exceptional Items and Taxes (EBITDA) of the Group was Rs. 62.38 Crores in the Financial Year 2013-14, higher by 19% over the Previous Year. Consequently, the Consolidated Profit Before Exceptional Items and Taxes (PBT) was Rs. 25.32 Crores in the Financial Year 2013-14 compared to Rs. 20.25 Crores in the Previous Year.

DIVIDEND

After considering improved earnings, requirement for funds and with the objective of rewarding the shareholders, the Directors have recommended a Dividend of 20 % being Rs. 2/- per Equity Share of Rs. 10/- each (Previous Year 15% being Re. 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. 304.29 lakhs including Dividend Distribution Tax.

TRANSFER TO RESERVES

Your Directors propose to transfer Rs. 100.00 Lakhs to the General Reserve out of the current year's profit and the Balance aggregating to Rs. 6,249.43 Lakhs is proposed to be retained in the Profit & Loss Account.

FUTURE PROSPECTS

The Company has consolidated its product range into 65 brands split into 5 major categories namely multi micronutrient complexes, chelated micronutrients, single specialty nutrients, water soluble NPKs and sprayers. A number of brands which were showing marginal growth or which substitutes within the existing range have been phased out.

The Company has begun sales of a unique product for biological control of pests using horticultural mineral oil. This product has been launched in the name of Hortimin in two grades, one for apple crop and one for fruits and vegetables and is expected to yield good volumes in the coming years. The Company is also in the process of launching new nutritional products that provide silicon, iron and soil conditioning benefits. The Company's flagship brand, Agromin for soil application has successfully been launched in a new and improved granular form which provides slow release of essential micronutrients customized to the needs of various crops.

The Company has also strengthened its efforts in promoting products in the institutional, government and international markets. The total revenue earned in this segment now constitutes 5% of the total revenue.

SAFETY AND HEALTH

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

USE OF IPO PROCEEDS

Your Company made its 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/ Section 73 of the Companies Act, 2013.

SUBSIDIARIES

Your Company has five subsidiaries viz Aries Agro Care Private Limited, Aries Agro Equipments Private Limited, Aries Agro Produce Private Limited, Golden Harvest Middle East FZC and a Step Down Subsidiary viz Amarak Chemicals FZC.

The operations of Aries Agro Care Pvt. Ltd. commenced in the Financial Year 2008-09 but discontinued the activity in the financial year 2012-13 and had no business activity in the financial year 2013-14. The Company incurred losses to the tune of Rs 0.90 Lakhs amongst others on account of amortisation and legal and professional charges.

The business operations of Aries Agro Equipments Pvt. Ltd. commenced in the year 2009-10 in agricultural sprayers but discontinued the activity in the financial year 2013-14. During the Financial Year 2013-14 the Company has a small Turnover of Rs. 0.54 Lakhs and incurred a loss of Rs. 10.12 Lakhs.

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

There was no business activity in other Subsidiary namely Aries Agro Produce Pvt. Ltd. During the Financial Year 2013-14 the Company has incurred a loss of Rs. 0.24 Lakhs

As regards the overseas subsidiary M/S. Golden Harvest Middle East FZC with an installed capacity of 10,800 MT p.a., in their sixth year of operation, has generated a total sale of AED 213.95 Lakhs(INR 3,326.77 Lakhs) with a profit of AED 18.74 Lakhs(INR 291.33 Lakhs) for the year 2013-14.

M/s. Amarak Chemicals FZC, which is a step down Subsidiary of Aries Agro Limited with an installed capacity of 60,000 MT p.a., in their fourth year of operation, has generated a total sale of AED 305.99 Lakhs(INR 4,757.99 Lakhs) with a profit of AED 26.27 Lakhs(INR 410.85 Lakhs) for the year 2013-14.

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, 2014 of Aries Agro Care Private Limited, Aries Agro Equipments Private Limited, Aries Agro Produce Private Limited, Golden Harvest Middle East FZC. and Amarak Chemicals 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 given in Note No. 27-A of the Notes to Accounts is forming part of the Annual Report.

All the above Indian 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

As per the provisions of Section 152(6) of the Companies Act, 2013, 2/3RD of Non-Independent Directors will be liable to retire by rotation and out of which 1/3rd will retire by rotation this year. Accordingly Dr. Rahul Mirchandani and Mrs. Nitya Mirchandani are liable to retire by rotation and Dr. Jimmy Mirchandani, being Chairman and Managing Director will not retire by rotation.

Since Mrs. Nitya Mirchandani is appointed as an Additional Director, it is proposed to appoint Dr. Rahul Mirchandani, Executive Director by retirement by rotation and being eligible, offers himself for re-appointment. Accordingly, his re-appointment forms part of the notice of ensuing Annual General Meeting.

Mrs. Nitya Mirchandani was appointed as an Additional Director on the Board of Directors of the Company with effect from 30th May, 2014 as a Woman Director. She ceases to be a Director on the date of the 44th Annual General Meeting. Notice under Section 160 of the Companies Act, 2013 has been received in respect of her appointment as Director on the Board and accordingly her appointment is proposed as a Director at the forthcoming Annual General Meeting.

As per the provisions of the Companies Act, 2013, Independent Directors are required to be appointed for a term of five consecutive years and shall not be liable to retire by rotation. Accordingly, resolutions proposing appointment of Independent Directors form part of the Notice of the Annual General Meeting. Since all the Independent Directors are current Directors and only their terms are being extended and hence the provisions of Section 160 of the Companies Act, 2013 are not applicable.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed both under Sub-Section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Akshay Mirchandani has resigned from the Directorship of the Company and his resignation has been accepted by the Board at its meeting held on 30th May, 2014. The Board places on record its appreciation to the contribution made by Mr. Akshay Mirchandani during his tenure with the Company.

APPOINTMENT OF COST AUDITORS

Pursuant to Section 233B of the Companies Act, 1956. Company has appointed M/s. R. Nanabhoy & Co., Cost Accountants, to conduct the audit of cost accounting records of its products for the financial year 2013-2014.

The due date for filing the Cost Audit Reports in XBRL mode for the financial year ended March 31, 2013 was 30th September, 2013 and the Cost Audit Reports were filed by the Cost Auditor on 25th September, 2013.

Further M/s. R. Nanabhoy & Co., Cost Auditors were re-appointed as the Cost Auditor of the Company for the year ending 31-03-2015 by the Board of Directors at their meeting held on 30th May, 2014 after ensuring their eligibility and obtaining the letter of eligibility from them.

The Company's Cost Audit is completed and the Company will file the Cost Audit Report within 6 months of the end of the Financial Year-2013-14 i.e. on or before 30th September, 2014.

APPOINTMENT OF AUDITORS AND AUDIT REPORT

M/s. Kirti D. Shah & Associates(Membership No. 32371), the Auditors of the Company retire at the forthcoming 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. It is proposed to appoint them for a period of three years subject to ratification every year.

There is no qualification in the Audit Report.

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 year;

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. 60 LAKHS P.A./ RS. FIVE LAKHS P.M. DURING THE YEAR 2013-14											
Sr. No.	Name	Designation	Remuneration Received Rupees	Nature of Employment	Other Terms & Condi-Tions	Nature of Duty	Qualification & Experience	Date of Commence-ment	Age	Last Employ-ment Held	% of Equity Shares held as on 31.03.2014
1	Dr. Jimmy Mirchandani	Chairman and Managing Director	98,42,875	Contractual	N.A.	Managing The Affairs Of The Company	B. Sc. (Vet); LL.B.	15.01.1976	58	N.A.	27.11
2	Dr. Rahul Mirchandani	Executive Director	97,60,329	Contractual	N.A.	Managing The Affairs Of The Company	B. Com; CFA; MBA; Ph.D	02.02.1994	38	N. A.	20.17

GREEN INITIATIVES

The Company has started transmitting Annual Report through electronic mode—email to the shareholders who have who preferred to receive Annual Report through electronic mode and initiated steps to reduce consumption of paper.

HUMAN RESOURCES

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

LISTING

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

The Company has made all the compliances of Listing Agreement including payment of Annual Listing Fees upto 31st March, 2015 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is also annexed to this report.

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

Particulars in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, as required to be disclosed 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;

Solar system has been finalized for the manufacturing facility situated at Hyderabad.

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. However the cost of production on account of power has increased due to increase in cost per unit.

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 2013-2014	Previous Year 2012-2013
(a)	Purchased: -			
	I	Electricity		
	(i)	Unit (KWH)	**951,602**	630,633
	(ii)	Total Amount (Rs.)	**9,093,161**	6,232,155
	(iii)	Rate/Unit (Rs.)	**9.56**	9.88
	II	Piped Gas		
	(i)	Unit (M3)*	**227,768.27**	53,004.89
	(ii)	Total Amount (Rs.)	**9,990,042**	1,874,122
	(iii)	Rate/Unit (Rs.)	**43.86**	35.36
(b)	Own Generation: -			
	(i)	Coal	**Not Applicable**	Not Applicable
	(ii)	Furnace Oil - Kl	**18,627**	53,307
	(iii)	Internal Generation – Units	**79,367**	187,351

***Gas Supply started from 22.12.2012 from Sabarmati Gas Limited**

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

(A) RESEARCH AND DEVELOPMENT:

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

- There is a continuous focus on University research on specialty plant nutrition which continues across India.
- Our team of extension officers conducts continuous field demonstrations and extension work including large scale soil sampling, which provides constant updates on deficiency levels across all states in India.
- The Company's R&D at Mumbai is ISO 9001 certified and works on new product development and continuous quality checks. The 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.

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

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

3. Future Plan of Action :

- Identifying customized formulations for new states where Aries is entering to sell their product range.
- Increase the nutrients range to include silicon based products.
- Identify more organic / natural source of plant nutrients and allied products.

4. Expenditure on R & D

Description	**For the year ended 31st March, 2014**	For the year ended 31st March, 2013
	(Rupees)	(Rupees)
(I) Capital	**-**	97,546
(II) Recurring	**3,224,931**	2,653,776
(III) TOTAL	**3,224,931**	2,751,322
(IV) Total R & D expenditure as a % of		
a. Gross Turnover	**0.14**	0.14
b. Net Turnover	**0.14**	0.15

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:

International sales have commenced in 14 countries with supplies from Indian and UAE factories. Distributors are being appointed on an ongoing basis and we expect export and global sales to continue to grow and form 30% of the group revenues of the Company by Financial Year 2014-15

2. Total Foreign Exchange used and earned:

Used : Rs. 38,50,10,580/-

Earned: Rs. 4,84,90,266/-

3. Initiative for Exports

Our overseas manufacturing units (Subsidiaries) have started supplying Sulphur Bentonite to Brazil, Australia, New Zealand, Sri Lanka, Pakistan, Bangladesh, Vietnam, Taiwan, Ecuador, Trinidad, Zambia, Kenya, Singapore and United Kingdom. International sales accounted for 27% of total group consolidated revenue and we believe that in the next 2 years exports and global sales is expected to remain at similar level. Aries products were exported from India directly to Taiwan.

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 DISCLOSURES

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 has not resorted to any Buy Back of its shares during the year under review.

CORPORATE SOCIAL RESPONSIBILITY

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board,

Place: Mumbai
Date: 13th August, 2014

Dr. Jimmy Mirchandani
Chairman & Managing Director

REPORT ON CORPORATE GOVERNANCE

Corporate Governance Philosophy

The Company is fully committed to the principles of good Corporate Governance. It ensures efficient conduct of affairs of the Company to achieve its goal of maximizing value for 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 of which Three(3) are Independent Directors. The Independent Directors are eminent professionals, with experience in, Management and Strategy, Banking, Corporate Laws etc. Composition of the Board and category of Directors are as follows:

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

* Resigned from the Directorship w.e.f. 30.05.2014

** Appointed as Additional Director w.e.f. 30.05.2014

(B) Attendance and Other Directorships

Attendance of Directors at Board Meetings, last Annual General Meeting and number of Directorships and Chairmanships/Memberships of Committees of each Director in various Companies as on 31st March, 2014 is as follows:-

Name of the Director & Designation and category	Attendance of Meetings during 2013-14		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 30th September, 2013			
Dr. Jimmy Mirchandani Chairman & Managing Director (Promoter)(CMD)	4 (4)	Yes	2	NIL	Brother of ED and father of NED
Dr. Rahul Mirchandani Executive Director (Promoter)(ED)	3 (4)	Yes	3	NIL	Brother of CMD
Prof. R. S. S. Mani Director Non Executive (Independent)	4(4)	Yes	NIL	NIL	N.A.
Mr. Akshay Mirchandani Director Non-Executive (Promoter)(NED)	2(4)*	Yes	NIL	NIL	Son of CMD
Mr. Chakradhar Bharat Chhaya Director Non Executive (Independent)	4(4)	No	3	6 (including 3 as Chairman)	N.A.
Mr. Bhumitra Vinodchandra Dholakia Director Non Executive (Independent)	4(4)	NA	2	2 (including 2 as Chairman)	N.A.

* Resigned from the Directorship w.e.f. 30.05.2014

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 and Background notes with supportings 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. The minutes of all the Committees of the Directors are placed before the Board and noted by them.

Four Board Meetings were held during the year, on 30.05.2013, 14.08.2013, 14.11.2013 and 14.02.2014.

The gap between two board meetings did not exceed four months.

(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 Senior Management Personnel have affirmed compliance to the Code of Conduct as on 31-03-2014, 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.

   viii) Qualifications in the draft Audit Report.

e. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.

f. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

g. Reviewing with the Management, Statutory and Internal Auditors the adequacy of the Internal Control Systems.

h. 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.

i. Discussion with Internal Auditors any significant findings and follow up thereon.

j. 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.

k. 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.

l. Reviewing the Company's Financial and Risk Management Policies;

m. 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.

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

Mr. Bhumitra V. Dholakia : Member (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 30th September, 2013 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 4 times during the year on 30.05.2013, 14.08.2013, 14.11.2013 and 14.02.2014. Not more than four months had elapsed between any two meetings.

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

Name of the Director	No. of meetings attended
Prof R. S. S. Mani	4
Dr. Rahul Mirchandani	3
Mr. Bhumitra V. Dholakia	4

The Statutory Auditors, Internal Auditors, Cost 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 Prof. R. S. S. Mani, Mr. Chakradhar Bharat Chhaya and Mr. Bhumitra V. Dholakia all Independent Directors, as members. Prof R. S. S. Mani is the Chairman of the Committee. The Committee did not have any meeting during the year.

(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 subsequently confirmed by the Shareholders.

(v) **Details of Remuneration paid to the Directors for the year ended 31st March 2014.**

i) Managing Director and Executive Director.

The Agreements with the Chairman & Managing Director and Executive Director are for a period of three Years from 01.10.2012 to 30.09.2015.

The total remuneration paid to the Managing Director and Executive Director during the year 2013-14 was as under:

(Rupees)

Name	Salary	Commission	Contribution to Provident Fund/ Gratuity	Total
Dr. Jimmy Mirchandani Chairman & Managing Director	46,97,275	48,00,000	3,45,600	**98,42,875**
Dr. Rahul Mirchandani Executive Director	45,42,729	48,00,000	4,17,600	**97,60,329**

Notes:

a) The Agreements with the Managing Director, and Executive Director are for a period of three years upto 30th September, 2015. 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 2013-14, the Company has paid total Sitting Fee of Rs. 4,45,000/- to Non Executive Directors as under:

Prof. R. S. S. Mani	Rs. 1,25,000.00
Mr. Akshay Mirchandani	Rs. 40,000.00
Mr. C. B. Chhaya	Rs. 1,60,000.00
Mr. B. V. Dholakia	Rs. 1,20,000.00

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 met once during the year.

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. Qaiser 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, 2014 is given below:**

	Nature of Complaint	Opening	No. of Complaints Received	Redressed	Pending
1.	**Non- receipt of Dividend Warrants**	**0**	**1**	**1**	**0**
	TOTAL	**0**	**1**	**1**	**0**

The "SCORES" website of SEBI for redressing of Grievances of the investors is being visited at regular intervals by the Company Secretary and there are no pending complaints registered with SCORES for the Financial Year ended on 31st March, 2014.

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 (VOLUNTARY)**

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 consider and approve financial needs (borrowings of the Company from time to time and negotiate the Terms and Conditions with the Banks/Financial Institutions, avail the Credit Facilities and finalize and sign Agreements, Deeds, Documents etc with the Banks/Financial Institutions.

The Committee consists of the following members:

Dr. Jimmy Mirchandani : Chairman

Dr. Rahul Mirchandani : Member

Mr. C. B. Chhaya : Member

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
31st March, 2011	29-09-2011	10.00 a.m.	The Chembur Gymkhana, 16th Road, Chembur, Mumbai-400 071	1. Approval of Appointment and Payment of Remuneration to Mr. Akshay Mirchandani by Step Down Subsidiary M/S Amarak Chemicals FZC, Fujairah, UAE. w.e.f. 30.12.2010 2. Approval of Appointment and Payment of Remuneration to Mr. Akshay Mirchandani by the Subsidiary M/S Golden Harvest Middle East FZC, Sharjah, UAE. w.e.f. 01.04.2011. 3. Approval of Appointment and Remuneration of Mr. Amol Mirchandani by the Company w.e.f. 07.04.2011.
31st March, 2012	28-09-2012	10.00 a.m.	The Chembur Gymkhana, 16th Road, 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. 01.10.2012.
31st March, 2013	30.09.2013	10.00 a.m.	The Chembur Gymkhana, 16th Road, Chembur, Mumbai-400 071	Alteration of Articles of Association to align it with the provisions of Clause 203 of the Companies Bill.

(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 in Notes to the Accounts of the Annual Report, there were no other Related Party Transactions with the Promoters, Directors and Management that had a potential conflict with the interest of the Company at large.

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 Note No. 27-B to the Accounts in the Annual Report and they are not in conflict with the interest of the Company at large.

(ii) 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 executive functions is also utilized by him for discharging his duties as Chairman. No separate office is maintained for the Non-Executive Chairman of the Audit Committee but Secretarial and other assistance is provided to him, whenever needed, in performance of his duties.

(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. Please see the paragraph on Remuneration Committee.

(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)
Prof. R. S. S. Mani	NIL
Mr. Akshay Mirchandani*	3,61,875
Mr. C. B. Chhaya	NIL
Mr. Bhumitra V. Dholakia	NIL

* Resigned w.e.f. 30.05.2014

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.

Intimation to Stock Exchanges –

All price sensitive information and matters which are material and relevant to shareholders are intimated to all the Stock Exchanges where the securities of the Company are listed.

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

In accordance with Clause 52 of the Listing Agreement, all disclosures and communications to BSE Limited and National Stock Exchange of India Limited are filed electronically through CFDS website www.corpfiling.co.in. The Company also submits to NSE all quarterly compliances, disclosures and communications through NSE's NEAPS portal. The Company further has complied with filing submissions through BSE's BSE Online portal.

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. 27-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 44th Annual General Meeting of the Shareholders will be held on Friday, 26th September, 2014 at 10.00 a.m.

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

(ii) **Financial Calendar:-**

For the year ending 31st March, 2015 the Financial Results will be announced on:

First Quarter	:	On or before 14th August, 2014
Half year	:	On or before 14th November, 2014
Third Quarter	:	On or before 14th February, 2015
Yearly	:	On or before 30th May, 2015

(iii) **Date of Book Closure: -** Saturday, 20th September, 2014 to Friday, 26th September, 2014 (both days inclusive)

(iv) Dividend, if any, declared by the Members in the ensuing Annual General Meeting will be paid on 29th September, 2014.

(v) Transfer of Unclaimed Dividend to Investor Education and Protection Fund

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

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

Unclaimed Dividend	Status	Whether it can be claimed	Can be claimed from	Action to be taken
Up to and including the Financial Year 1994-95	Not Applicable			
For the Financial Years 1995-96 to 2005-06	Not Applicable			
For the Financial Years 2007-08 to 2012-13	Lying in respective Unpaid Dividend Accounts	Yes	M/S Aarthi Consultants Private Limited, Registrars and Transfer Agents 1-2-285, Domalguda, Hyderabad-500 029 040-27634445/8111/27642217	Letter on plain paper

(vii) The Company has hosted on its website the details of the Unclaimed Dividend/IPO Application Refunds as on the AGM dated 30.09.2013 as per the Notification No. G S R 352 (E) dated 10th May 2012 of Ministry of Corporate Affairs.

(viii) The date of declaration of dividend in respect of Financial Years 2007-08 to 2012-13 and the last date for claiming such dividend is given in the table below:

(ix)

Financial year	Date of Declaration	Rate	Last Date of Claiming payment from Aarthi Consultants Pvt. Ltd*
2007-08 (Interim)	28th May , 2008	12%	28th May , 2015
2009-10	17th September, 2010	15%	17th September, 2017
2010-11 (Interim)	28th January, 2011	10%	28th January, 2018
2010-11 (Final)	29th September, 2011	10%	29th September, 2018
2011-12	28th September, 2012	15%	28th September, 2019
2012-13	30th September, 2013	15%	30th September, 2020

*Indicative dates. Actual dates may vary.

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

(xi) Shareholders/IPO Applicants are requested to get in touch with the Registrars for encashing the unclaimed dividend/ IPO Application Refunds amount, if any, standing to the credit of their account.

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

(xiii) ISIN NO. : INE298I01015

Scrip Code : **BSE - 532935**

NSE - ARIES

(xiv) **Listing Fee**: The Listing Fee for the financial year 2014-2015 has been paid to the above Stock Exchanges.

(xv) **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, 2014

Month	Highest		Lowest	
	Rate (Rs.)	Date	Rate (Rs.)	Date
April, 2013	55.70	03.04.2013	44.10	17.04.2013
May, 2013	47.85	16.05.2013	40.00	23.05.2013
June, 2013	43.00	03.06.2013	33.55	25.06.2013
July, 2013	45.75	25.07.2013	28.30	08.07.2013
August, 2013	44.30	16.08.2013	35.25	07.08.2013
September, 2013	41.85	16.09.2013	36.05	24.09.2013
October, 2013	40.00	09.10.2013	35.30	29.10.2013
November, 2013	46.85	21.11.2013	34.50	12.11.2013
December, 2013	50.85	31.12.2013	39.25	06.12.2013
January, 2014	62.45	02.01.2014	47.30	28.01.2014
February, 2014	61.10	18.02.2014	43.05	05.02.2014
March, 2014	63.70	06.03.2014	54.00	21.03.2014

Monthly Share Price Data of the Company's shares on NSE for the year ended 31st March, 2014

Month	Highest		Lowest	
	Rate (Rs.)	Date	Rate (Rs.)	Date
April, 2013	56.00	03.04.2013	43.00	18.04.2013
May, 2013	48.40	02.05.2013	39.70	23.05.2013
June, 2013	41.85	03.06.2013	33.70	27.06.2013
July, 2013	45.90	25.07.2013	33.10	08.07.2013
August, 2013	44.50	16.08.2013	35.15	07.08.2013
September, 2013	41.40	17.09.2013	35.80	26.09.2013
October, 2013	42.00	03.10.2013	35.00	29.10.2013
November, 2013	45.80	20.11.2013	34.55	13.11.2013 12.11.2013
December, 2013	51.35	31.12.2013	39.05	06.12.2013
January, 2014	62.50	02.01.2014	47.00	31.01.2014
February, 2014	61.10	18.02.2014	43.40	05.02.2014
March, 2014	63.45	04.03.2014	53.50	21.03.2014

(xvi) **Performance in comparison to BSE & NSE Sensex**

BSE NSE

BSE **NSE**

(xvii) **Name and Address of the Registrar and Share Transfer Agents**

AARTHI CONSULTANTS PVT LTD

Regd. Office
1-2-285 Domalguda,
Hyderabad – 500029
Tel: 040 27638111 / 27634445 / 27642217 / 66611921
Fax: 040 27632184
Email: **info@aarthiconsultants.com**

(xviii) Share Transfer System

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

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

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

1000 to 5000 Shares : Dr. Jimmy Mirchandani, Chairman & Managing Director or
Dr. Rahul Mirchandani, Executive Director

above 5000 Shares : Share Holders/Investors Grievance Committee

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

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

(xix) (1) Distribution of Share Holding as on 31st March 2014

Shareholding of Nominal Value		Shareholders			Share Amount	
From	To	Number	No of Shares	% of Total	Rupees	% of Total
1	5000	7040	805029	84.63	8050290	6.19
5001	10000	662	497214	7.96	4972140	3.82
10001	20000	290	442915	3.49	4429150	3.41
20001	30000	95	240069	1.14	2400690	1.85
30001	40000	59	210669	0.71	2106690	1.62
40001	50000	44	209546	0.53	2095460	1.61
50001	100000	61	469594	0.73	4695940	3.61
100001	And above	68	10129303	0.82	101293030	77.89
TOTAL		8319	13004339	100.00	130043390	100.00

(2) Distribution of shareholding according to categories of shareholders as on 31st March, 2014

Categories	No. of Shares	Amt. in Rs.	% to Total
Promoters	6857926	68579260	52.74
Directors (Independent)	--	--	--
Financial Institutions/ Banks	--	--	--
Mutual Funds / UTI	1088944	10889440	8.37
NRIs / OCBs/FIIs	75179	751790	0.58
Other Bodies Corporate	1312523	13125230	10.09
Public	3669767	36697670	28.22
Total	**13004339**	**130043390**	**100.00**

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

Sr. No.	Name of the Companies	Shareholding as on 31.03.2014
1.	Sreeni Agro Chemicals 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. 27-A of the Notes to Accounts forming part of the Annual Report.

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

(xx) Details of Demat Shares as on 31st March, 2014

Name of Depository	No. of Shareholders	No. of Shares	% of Capital
NSDL	5414	11028022	84.80
CDSL	2758	1644351	12.65
Sub-Total	**8172**	**12672373**	**97.45**
Physical Mode	147	331966	2.55
Grand Total	**8319**	**13004339**	**100.00**

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

(xxii) Plant Location: -

Location	Address
Mumbai, Maharashtra	ARIES House, Plot No. 24, Deonar, Govandi (E), Mumbai-400 043, Maharashtra
Kolkata, West Bengal	Post & Village: Abdalpur, Near Azad Sangha, Badu Road, Wireless Math, Distt- 24 Parganas (North)-700 155, West Bengal
Hyderabad, Telangana	244-246, 250-252, IDA Phase-II, Pashamylaram, Patancheru Mandal, Medak Dist;502 307, Telangana
Bangalore, Karnataka	No. 14-F, 8th Cross, Attibele Industrial Area, Hosur Main Road, Attibele, Bangalore - 562 107, Karnataka
Chhatral, Gujarat	1202/1 & 1202/2, Village: Rajpur, Taluka: Kadi, Distt: Mehsana, 382 740, Gujarat
Lucknow, Uttar Pradesh	Plot No. 836, Banthara, Lucknow-Kanpur Highway, Sikandarpur, Tehsil & Distt. Lucknow, U. P., 227101
Sharjah, UAE	Golden Harvest Middle East FZC(a Subsidiary of Aries Agro Limited) Plot P3-04, Post Box No. 9267, Sharjah Airport International Free Zone(SAIF), Sharjah, UAE
Fujairah, UAE	Amarak Chemicals FZC(a Subsidiary of Golden Harvest Middle East FZC thereby a Step Down Subsidiary of Aries Agro Limited) Al Hayl Industrial Area, P. O. Box 5283, Fujairah Free Zone(FFZ), Fujairah, UAE

(xxiii) Address for Correspondence:

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

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

ii) For grievance redress and any query

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

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

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, 2014, 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 has been limited to review of the procedures and implementation thereof adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of 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 or effectiveness with which the Management has conducted the affairs of the Company.

For **Kirti D. Shah & Associates**
Chartered Accountants

Kirti D. Shah
Proprietor
Membership No. 32371

Mumbai
Date: 13th August, 2014

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 the Company has obtained from all the Members of the Board and Senior Management Personnel of the Company, affirmation that they have complied with the Code of Conduct of the Company for the Financial Year 2013-14.

Dr. Jimmy Mirchandani
Chairman & Managing Director

Date: 13th August, 2014

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, 2014 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.** There have been no significant changes in the internal controls over financial reporting during the year.
- **ii.** There have been no significant changes in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
- **iii.** There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Dr. Jimmy Mirchandani
Chairman & Managing Director

S. Ramamurthy
Chief Financial Officer

Mumbai
13th August, 2014

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

The total capacity utilization currently stands at 48 % of the total installed capacity of 84,600 MT p.a. in India. Our international manufacturing facilities at UAE have also shown improved capacity utilization which currently stands at 39 % of the total installed capacity overseas.

RECOGNITION

For the third consecutive year, we were awarded **“Certificate of Excellence’ in recognition of our Exemplary Growth –** in this year’s Inc India 500 ranking of India’s 500 fastest-growing mid-size enterprises**.** Inc. India 500 is an offshoot of the annual Inc. 500 Awards: “Est. in 1982 in America. Inclusion on this list is a mark of entrepreneurial success and elevates our company above its competitors and is a proof of the talent, drive and hard work our team have brought to our business

We were also awarded the **‘Innovative 100 – Certificate of excellence’** in recognition of smart innovation by 9.9 Media & Inc. India

GLOBAL SOURCING

Aries has sourced 30% of its total raw materials from overseas suppliers located in China, Israel, Turkey, U.A.E., U.S.A, U.K., Belgium, and South Africa. Imports constitute 40% of our total purchases and our Company has identified a pool of reliable overseas suppliers.

INDUSTRY TRENDS

2013-14 monsoons were reported to be above normal at over 106% of the long term average. However, the extended rains delayed the sowing for the second season and this was followed by extreme cold wave condition across North India during the winter. The extended monsoon provided a good Kharif revenue growth. However, the Rabi revenues were affected due to the cold waves.

Indian farmers have also started actively participating in the grey revolution i.e. use of information and technology in agriculture. The spread of information is improving awareness levels ensuring fair prices and market realization permitting weather forecasts to be made available to farmers. In addition, cooperative farming and contract farming are becoming more widespread, which is improving the market environment for agricultural inputs. There is also immense potential that is being tapped in the areas of aquaculture and agro forestry. Our sales team has actively begun working with farmers in these two sectors.

Overall the sector is going through a major shift in trends and the Company is taking steps to re- assess and re-focus our products and marketing efforts.

WORKING CAPITAL:

Aries has always recognized that its business is working capital intensive and with the objective of reducing working capital load, the Company has taken several steps:

i) Reducing number of brands from 84 to 65

ii) Number of Stock Keeping Units (SKU) were reduced by 67 Nos.

iii) Sales depots were asked to maintain inventory of only the brands that provide them with 80% of their total turnover with the balance 20% being supplied on a need only basis.

iv) A total of 71 cases were filed for recovery of old outstandings.

As a result of working capital control being established the number of days inventory reduced to 156 days from 200 days and debtors cycle reduced to 149 days from 161 days during the year under review.

COST MANAGEMENT

The rising costs of raw materials, fuel, processing, labour, USD exchange rate and interest rates continue to remain a cause of concern and have impacted the Company during the entire financial year. As a result the Company has raised its billing rates in 3 quarters of the financial year for its entire range of products, a major portion of the cost increase is yet to be passed on to the market. With depressed demand situation especially in the second half of the year, it was considered prudent not to increase prices beyond a point with an intention to retain interest of farmers in using specialty plant nutrients. Cost control on production and administrative costs have only partially been able to counter this inflationary pressure.

MAN POWER

During the previous financial year the Company had considered prudent to reduce the man power employed in various areas. However, considering the widespread operations and increased market penetration some of these staff needed to be replaced and such recruitment was carried out in phases during the year under review, as a result of which the total staff strength increased from 748 to 785. However, further recruitment of man power is now subject to prior approval and specific norms viz return per person employed. These norms are set in consultation with the State Heads during the Annual Planning meetings.

GLOBAL DISTRIBUTION:

International sales have commenced in Sri Lanka, Bangladesh, Pakistan, Ecuador, Brazil, Taiwan, Kenya, Vietnam, Australia, New Zealand, Trinidad, Zambia, Singapore and UK, with supplies from Indian and UAE factories. Distributors have been appointed in Brazil, Ecuador, Sri Lanka and New Zealand and we expect export and global sales to continue to grow and form around 30% of the group revenues of the Company by Financial Year 2014-15.

OUTLOOK:

The 2014 monsoons have been extremely delayed and all forecasts indicate that the year shall be a drought year due to the El-Nino phenomenon. The Company has carried out extensive offseason placement during the first quarter in order to place on shelves with Aries products in advance of the season. This ensures that even if a delay in monsoon takes place, our material is available at the retail shelves whenever demand arises. Further liquidation of this first quarter placement is crucial before second quarter sales reach its peak. Hence the Company shall be actively monitoring the progress of monsoon and also increasing its focus on non rain dependant agriculture namely plantations, irrigated districts, perennial crops and river basins, in addition to our focus on aquaculture and farm equipment products will also continue despite the monsoon situation. The Company shall not introduce any new products during the current financial year considering the uncertainty in demand situation.

SEGMENTWISE / PRODUCTWISE PERFORMANCE

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

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 Sales Turnover for the financial year ended March 31, 2014 increased to Rs. 23,286.50 Lakhs from Rs. 18,675.87 Lakhs in the previous year, reflecting a growth of 25%.

Total expenses for the year was Rs. 21,267.76 Lakhs as against Rs. 17,595.61 Lakhs in the previous year.

Profit Before Tax increased to Rs. 1,840.97 Lakhs during the year as against Rs. 1,403.44 Lakhs in the previous year. The increase in Profit Before Tax translates to 31 %.

Tax provision for the year was Rs. 655.28 Lakhs as against Rs. 432.66 Lakhs in the previous year which translates to 2.81 % on FY 13-14 Sales.

Profit After Tax for the year was Rs.1,153.03 Lakhs as against Rs. 934.13 Lakhs in the previous year which is 4.95 % of FY 13-14 Sales.

RESOURCES AND LIQUIDITY:

As on March 31, 2014, the net worth of the Company stood at Rs. 13,329.79 Lakhs as against Rs. 12,481.05 Lakhs.

As on March 31, 2014, the Company had a Debt / Equity ratio of 0.99. The Company has not raised any Fixed Deposits from the public.

HUMAN RESOURCES:

As at the end of the financial year there were 785 employees under the permanent rolls and a few under contract. We have an ongoing arrangement with few labour supplier organizations for our various locations.

We have 150 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	44
2.	Semi-Skilled	8
3.	Unskilled	98
	Sub- Total	**150**
4.	Contract Labour	131
	TOTAL	**281**

The Department wise breakup of our manpower is as under:

Sr. No	Name of the Department	No. of Staff
1.	Directors	2
2.	Accounts, Personnel & Administration, Legal & Secretarial	156
3.	Production(Staff and Workers), R&D and Spray Dry Operators	200
4.	Sales	427
	TOTAL	**785**

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

Aries continues to demonstrate a strong commitment towards providing products which do not hamper the soil and crop eco systems.

SPREADING KNOWLEDGE:

Aries' extension team continues to strongly advocate good agricultural practices in all states of India. The activities are conducted under the supervision of Agronomist and Agricultural Research Institutions throughout the year. During the year under review 2532 knowledge dissemination activities including farmers meeting were undertaken impacting 54215 number of farmers. These sessions were conducted by team of 52 extension officials spread across five states.

Aries organized various state level farmer's conference at Andhra Pradesh, Maharashtra, Bihar, Gujarat, Haryana, Punjab, Rajasthan, Uttar Pradesh and Odisha, The unique feature of these events have been that they had participation on a common intellectual platform from top government officials, opinion leaders, thought leaders from industry and academia, research scholars, scientists, agribusiness students and farmers from across the states.

EXTENSION ACTIVITIES / FARMER TRAINING / FARMER STUDY TOURS

This year Aries continued to identify environmentally sustainable practices that will minimize the impact of using modern agri technologies and also understand the changes required to deal with climate change imperatives. This year we worked towards influencing the ecosystem of rural knowledge creation, advocacy for good agricultural practices and improving Indian harvests. These practices are key to improving the wealth creation in rural communities. The activities were aimed at increasing the exposure of young progressive farmers in innovation of world-class crop management techniques, which has proven cost benefit advantages. This was achieved by experiential sharing with researchers, agricultural universities, government extension officers and agricultural students and peer groups of farmers in neighbouring areas.

The following activities were carried out during the year, which show the scale of work and the depth of method in key focus areas:-

1. **Integrated Nutrient Management:** The farmers were trained on the balanced use of major, secondary and micro-nutrients along with organic and biological nutrition sources.
2. **Crop Management Technologies:** This is a holistic programme that covers all aspects from soil preparation, seed selection, choice of agricultural inputs, farm labour management, harvesting techniques and agri output marketing methods. Farmers involved in this session meet experts in these various fields for extremely interesting interactive session.
3. **Post-Harvest Management:** Wastage of agricultural output post-harvest in transit and storage is a matter of serious concern. The usage of more effective techniques to ensure loss of output in storage and transit is an essential part of awareness building.

SOIL TESTING SERVICES

The Company has organized during the year soil testing camps in Andhra Pradesh using Mobile Soil Testing Kits which analyse 7 parameters including pH, EC, NPK levels in soil, micro nutrient levels including Zinc, Ferrous, Boron, Organic Carbon, etc. Approximately 1800 Soil Health Cards were issued to farmers providing an additional service in order that they understand the specific nutrient needs of their farms.

VILLAGE ADOPTION PROGRAMME:

As part of the Aspen India Leadership initiative, the Company undertook a programme of adopting 4 villages in 4 states with an intend to develop good agricultural practices standard for key crops of India.

Standardized Farming practices have been drawn up for mustard, wheat, rice and sugarcane, based on the field work carried out so far. Documentation of these practices has been completed along with cost benefit analysis. Awareness sessions on the benefits of adoption of these practices have been explained through a series of farmers meetings in the 4 target states of Rajasthan, Andhra Pradesh, Orissa and Maharashtra. Officials from the local Agricultural departments and Universities and Agricultural research stations were also present at these sessions. The next step would be to secure formal endorsement of these standardized farming practices and involve partners and mass media to promote them actively.

NATIONAL VOLUNTEERING WEEK:

Aries partnered with Confederation of Indian Industry's India @ 75 National Volunteering Week (12th January to 18th January, 2014), during which a series sources of activities were undertaken in 6 states of Rajasthan, Andhra Pradesh, Odisha, Uttarakhand, Chhattisgarh and Maharashtra. The sessions focused on impact of climate change on Indian agriculture and how balanced plan nutrition and integrated crop management can help farmers deal with climate change. Farmers were briefed using a simple presentation prepared by the Agronomist and Extension Team. Further, sessions were conducted for rural students of Std. IX to XII on agricultural based products and agriculture as a profitable profession. The objective was to discuss with students viability of farming as their preferred career choice. In total a series of 10 sessions impacting 1800 farmers / rural students were conducted with the Aries staff volunteering over 250 hours of time during the National Volunteer week.

INFLUENCER RELATIONS

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

Through our knowledge sharing activities and continuous connect with Research Institutions, our commitment to use knowledge as a catalyst for building agricultural productivity remains steadfast. In addition, our products remain environmentally sensitive and we ensure minimum adverse reactions to the soil and related eco systems.

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
ARIES AGRO LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **ARIES AGRO LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 Company'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 Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;

(b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, 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 account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

(e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

Kirti D. Shah
Proprietor
Membership No. 032371

Place : Mumbai
Date : 30th May, 2014

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. In our opinion and according to the information and explanation given to us, a substantial part 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. In our opinion, the frequency of verification is reasonable.

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 has maintained proper records of inventories. No material discrepancies were noticed on physical verification of stocks as compared to book records.

iii. a. The Company has given loans to four parties covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the period ended 31/03/2014 is Rs. 242,998,234/- (Previous Year Rs. 390,504,246/-) and closing balance as on 31/03/2014 is Rs. 184,184,336/- (Previous Year Rs. 251,559,188/-)

b. 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 'a' above, are interest free and receipt of principal amount are also regular. 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. As per the information given by the management, in case of overdue amount more than Rs.1.00 lac, the reasonable steps have been taken by the company for recovery of the principal and Interest.

d. The company has taken loan from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs 31,439,090/- (Previous Year Rs. 10,500,000/-) and closing balance as on 31/03/2014 is Rs. 27,654,556/- (Previous Year Rs. NIL)

e. The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest wherever applicable.

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 of the Companies Act, 1956 have been so entered.

b. The transactions made in pursuance of contracts or arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lacs in respect of each party during the year have been made at prices which appear reasonable as per information available with the company.

vi. The Company has not accepted deposits from the public. Therefore, the provisions of clause (vi) of paragraph 4 of the order are not applicable to the company.

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 cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete. The Company has appointed a cost accountant firm 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 occasional delays. As per the information given by the management and apparent from the records the undisputed liabilities as on 31st March 2014 is for a period exceeding six months from the date of it becoming payable is NIL.

b. Details of disputed liability in respect of tax dues on account of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess together with the status and the Forum before which such dispute is pending as on 31st March 2014 is as per **Annexure I.**

x. The company does not have accumulated losses at the end of the financial year. The company has not incurred cash losses in the financial period under audit 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 banks. The Company has not obtained any borrowings by way of issue of debentures.

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. Therefore, the clause (xiii) of paragraph 4 of the order are not applicable to the Company.

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. According to the information and explanation provided to us, in respect of guarantees given / security offered by the Company in respect of facilities / loans granted to Subsidiaries of the Company, the terms and conditions of such loans / facilities are prima facie not prejudicial to the interest of the Company.

xvi. The company has taken term loans which has been utilized for the purpose for which such loans were obtained.

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 monies by way of public issues during the year.

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
Firm Registration No. 115133W

Kirti D. Shah
Proprietor
Membership No. 32371

Place: Mumbai
Date: 30th May, 2014

ANNEXURE I TO AUDITORS REPORT (CLAUSE ix-b)

DETAILS OF DISPUTED STATUTORY DUES OUTSTANDING AS ON 31ST MARCH, 2014

Nature of Dues	Period to which payment relates	Forum where the dispute is pending	Particulars of Dispute	Tax Outstanding Rs.
Sales Tax (Kanpur)	1994 – 1995	Assessing Authority, (DC) – Asst. (5) - Commercial Tax Department, Kanpur	Applicability of C Form on interstate sale of poultry products	93,173
Sales Tax (Kanpur)	1985-1986	Tribunal	Classification of goods	175,000
			Total	**268,173**
Income Tax	2005-06	Income Tax Appellate Tribunal	Disallowance of Notional Interest on Advances given	441,660
Income Tax	2008-09	Income Tax Officer (TDS) 1 (2)	TDS other than Salary - Short deducted / paid and Interest thereon. Order U/s 201(1) / 201 (1A)	3,442,040
Income Tax	2009-10	Deputy Commissioner of Income Tax – TDS Circle Mumbai	TDS on Salary - Short deducted / paid and Interest thereon. Order U/s 201(1) / 201(1A)	1,572,330
			Total	**5,456,030**

Claims against the Company not acknowledged as Debts

Period to which payment relates	Forum where the dispute is pending	Particulars of Dispute	Amount Disputed Rs.
F Y 2000-01	City Civil Court, Ahmednagar	M/s Amrut Chicks Pvt. Ltd. – Quality Issue	1,700,000
F Y 2007-08	City Civil Court, Jalgaon	M/s Vinita Chemipharma Corporation - Quality Issue	246,000
F Y 2006-07	Consumer Redressal Forum, Lucknow (UP)	Mr. Kamlesh Kumar – Quality Issue	35,000
F Y 2010-11	State Consumer Disputes Redressal Commission Hyderabad (Andhra Pradesh State)	Mr. K. Srinivasa Rao – Quality Issue	310,257 Includes 232,500 plus interest @ 9% (74,757) from 04.09.2010 till 31.03.2014 and Costs of Rs. 3,000
F Y 2013-14	City Civil Court, Mumbai	Nanji D. Patel - Claim for Supplies of Stationery	697,203
		Total	**2,988,460**

Balance Sheet as on 31st March, 2014

Particulars			Note No.	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
I.	**EQUITY AND LIABILITIES**				
(1)	**Shareholder's Funds**				
	(a)	Share Capital	3	**130,043,390**	130,043,390
	(b)	Reserves and Surplus	4	**1,273,847,286**	1,191,777,683
				1,403,890,676	1,321,821,073
(2)	**Non-Current Liabilities**				
	(a)	Long Term Borrowings	5	**185,380,712**	161,049,973
	(b)	Deferred Tax Liabilities (Net)	6	**63,622,235**	63,868,755
	(c)	Long Term Provisions	7	**5,445,280**	5,965,690
				254,448,227	230,884,418
(3)	**Current Liabilities**				
	(a)	Short Term Borrowings	8	**1,026,446,105**	1,261,259,816
	(b)	Trade Payables	9	**272,689,967**	320,333,013
	(c)	Other Current Liabilities	10	**201,176,282**	184,238,751
	(d)	Short Term Provisions	11	**95,577,024**	52,200,404
				1,595,889,380	1,818,031,984
		TOTAL		**3,254,228,282**	3,370,737,475
II.	**ASSETS**				
(1)	**Non-Current Assets**				
	(a)	**Fixed Assets**	12		
		(i) Tangible Assets		**347,917,895**	365,578,920
		(ii) Intangible Assets		**1,014,292**	3,869,271
		(iii) Capital Work-in-Progress		**108,500,000**	136,118,332
	(b)	Non-Current Investments	13	**202,781,300**	202,781,300
				660,213,487	708,347,823
(2)	**Current Assets**				
	(a)	Inventories	14	**994,764,309**	1,023,978,738
	(b)	Trade Receivables	15	**950,497,869**	824,432,004
	(c)	Cash & Cash Equivalents	16	**124,494,671**	202,957,129
	(d)	Short Term Loans and Advances	17	**524,257,946**	611,021,781
				2,594,014,795	2,662,389,652
		TOTAL		**3,254,228,282**	**3,370,737,475**
		Significant Accounting Policies & The Notes to Accounts 1 to 34 form part of these Financial Statements			

As per our report of even date

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

Kirti D Shah
Proprietor
Membership No 32371

For and on behalf of the Board

Dr. Jimmy Mirchandani
Chairman & Managing Director

Prof R S S Mani
Director

Mr. S. Ramamurthy
Chief Financial Officer

Dr. Rahul Mirchandani
Executive Director

Mr. C. B. Chhaya
Director

Mr. Qaiser P. Ansari
Company Secretary

Mrs. Nitya Mirchandani
Additional Director

Mr. B. V. Dholakia
Director

Place : Mumbai.
Date : 30th May, 2014

Statement of Profit and Loss for the year ended 31st March, 2014

	Particulars	Note No.	Year Ended 31 March 2014 Rupees	Year Ended 31 March 2013 Rupees
I.	Revenue from Operations	18	**2,328,650,026**	1,867,587,607
II.	Other Income	19	**22,622,907**	32,318,127
III.	Total Revenue (I + II)		**2,351,272,933**	1,899,905,733
IV.	Expenses :			
	(a) Consumption of Materials	20	**997,413,531**	813,769,925
	(b) (Increase) / Decrease in Inventories of Finished Goods	21	**(13,283,135)**	(75,206,616)
	(c) Employee Benefits Expense	22	**230,784,984**	204,625,841
	(d) Finance Costs	23	**248,827,096**	210,053,895
	(e) Depreciation	12	**14,696,619**	18,476,595
	(f) Other Expenses	24	**688,737,239**	587,841,749
	Total Expenses		**2,167,176,334**	1,759,561,390
V.	**Profit Before Tax (PBT) - (III - IV)**		**184,096,599**	140,344,343
VI.	**Provision for Taxation**			
	(i) Tax Expense			
	Current Tax		**65,400,000**	28,000,000
	Less :- Mat Credit Entitlement		**-**	(27,590,000)
	Deferred Tax		**(246,520)**	42,480,635
	(ii) Wealth Tax		**375,000**	375,000
			65,528,480	43,265,635
VII.	**Profit after Tax (PAT) - (V - VI)**		**118,568,119**	97,078,708
	Less :- Short Provision for Tax in Earlier Years		**3,265,230**	3,665,844
VIII.	**Profit / (Loss) for the period**		**115,302,889**	93,412,864
IX	**Earnings per Equity Share**			
	(1) Basic & Diluted	25	**8.87**	7.18
	Significant Accounting Policies & The Notes to Accounts 1 to 34 form part of these Financial Statements			

As per our report of even date

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

Kirti D Shah
Proprietor
Membership No 32371

Place : Mumbai.
Date : 30th May, 2014

For and on behalf of the Board

Dr. Jimmy Mirchandani
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Additional Director

Mr. B. V. Dholakia
Director

Statement of Cash Flows for the year ended 31st March, 2014

(Rupees in Lacs)

Sr.No.	Particulars	2013-14		2012-13	
A)	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax as per Profit and Loss Account		**1,840.97**		1,403.44
	Adjusted for :				
	Loss on Sale of Assets (net)	**51.15**		100.72	
	Depreciation	**146.97**		184.77	
	Proposed Dividend	**(260.09)**		(195.07)	
	Dividend Distribution Tax	**(44.20)**		(33.15)	
	Interest Income	**(223.48)**		(313.73)	
	Finance Costs	**2,488.27**		2,100.54	
			2,158.63		1,844.08
	Operating Profit before Working Capital Changes		**3,999.59**		3,247.53
	Adjusted for :				
	Trade Receivables	**(1,260.66)**		(1,388.27)	
	Inventories	**292.14**		42.60	
	Trade Payable	**(476.43)**		(96.21)	
	Other Payable	**597.94**		(1,254.88)	
			(847.01)		(2,696.76)
	Cash Generated from Operations,		**3,152.58**		550.77
	Net Prior Year Adjustments	**(32.65)**		(36.66)	
	Taxes Paid	**(657.75)**		(7.85)	
			(690.40)		(44.51)
	Net Cash from Operating Activities		**2,462.18**		506.26
B)	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Purchase of Fixed Assets (Including Capital work in progress (WIP)		**207.42**		(542.79)
	Sale of Fixed Assets		**47.76**		139.70
	Purchase of Investment		**-**		(0.02)
	Movement in Short Term Loans and Advances		**867.64**		(1,119.90)
	Interest Income		**223.48**		313.73
	Net Cash (used in) Investing Activities		**1,346.29**		(1,209.28)
C)	**CASH FLOW FROM FINANCIAL ACTIVITIES:**				
	Long Term Borrowings (Net)		**243.31**		(13.08)
	Short Term Borrowings (Net)		**(2,348.14)**		3,037.18
	Interest Paid		**(2,488.27)**		(2,100.54)
	Net Cash (used in) / from financing activities		**(4,593.10)**		923.56
	Net Increase in Cash and Cash Equivalents		**(784.62)**		220.54
	Opening Balance of Cash and Cash Equivalents		**2,029.57**		1,809.03
	Closing Balance of Cash and Cash Equivalents		**1,244.95**		2,029.57

As per our report of even date

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

Kirti D Shah
Proprietor
Membership No 32371

For and on behalf of the Board

Dr. Jimmy Mirchandani
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Company Secretary

Mrs. Nitya Mirchandani
Additional Director

Mr. B. V. Dholakia
Director

Place : Mumbai.
Date : 30th May, 2014

Notes to the Financial Statements for the year ended 31st March, 2014

1. Corporate Information

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

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

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

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

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

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

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

2. Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards, notified by the Companies Accounting Standards Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention except in case of assets for which provision for impairment is made and revaluation is carried out.

Summary of significant accounting policies

A. Use of estimates

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

B. Tangible fixed assets

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

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

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

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

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

C. Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher.

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

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

Notes to the Financial Statements for the year ended 31st March, 2014

D. Intangible assets

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

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

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

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

E. Borrowing Costs

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

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

F. Impairment of tangible and intangible assets

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

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

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

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

G. Inventories

Inventories are valued as follows:

(i) Raw materials and packing materials : Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a first-in-first out basis. Customs duty on imported raw materials (excluding stocks in the bonded warehouse) is treated as part of the cost of the inventories.

(ii) Work-in-progress and finished goods : Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

(iii) Traded goods : Lower of cost and net realizable value. Cost includes the purchase price and other associated costs directly incurred in bringing the inventory to its present location.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(iv) Waste and scrap are not separately valued being insignificant in value

H. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(i) **Sale of products:**

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

Notes to the Financial Statements for the year ended 31st March, 2014

(ii) **Interest Income**:

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

(iii) **Dividend income**:

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

I. Investments

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

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

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

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

J. Retirement benefits

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

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

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

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

K. Foreign currency translation

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

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

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

L. Income tax

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

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

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

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Notes to the Financial Statements for the year ended 31st March, 2014

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

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

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

M. Earnings Per Share (EPS)

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

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

N. Operating lease

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

O. Segment reporting

Identification of segments

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

P. Provisions

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

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

Q. Contingent liability

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

R. Expenditure on new projects and substantial expansion

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the indirect construction cost to the extent to which the expenditure is directly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the statement of profit and loss. Income earned during construction period is deducted from the total of the indirect expenditure. All direct capital expenditure on expansion is capitalised. As regards indirect expenditure on expansion, only that portion is capitalised which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalised only if they increase the value of the asset beyond its original standard of performance.

S. Cash and cash equivalents

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

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

Notes to the Financial Statements for the year ended 31st March, 2014

3. SHARE CAPITAL

		As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Authorised Share Capital			
15,000,000 Equity Shares of Rs. 10/- each		**150,000,000**	150,000,000
	Total	**150,000,000**	150,000,000
Issued, Subscribed and Paidup			
13,004,339 Equity Shares of Rs.10/- each.		**130,043,390**	130,043,390
	Total	**130,043,390**	130,043,390

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

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

3.3 **Reconciliation of Number of Shares Outstanding**

Particulars	**As at 31st March, 2014 No. of Shares**	As at 31st March, 2013 No. of Shares
Equity Shares at the beginning of the year	**13,004,339**	13,004,339
Add : - Issued during the year	**-**	-
Less :- Shares cancelled during the year	**-**	-
Equity Shares at the end of the year	**13,004,339**	13,004,339

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

	Name of the Shareholder	**No. of Shares**	**As at 31st March, 2014 % Held**	No. of Shares	As at 31st March, 2013 % Held
(i)	Dr. Jimmy Mirchandani	**3,524,830**	**27.11%**	3,410,955	26.23%
(ii)	Dr. Rahul Mirchandani	**2,623,221**	**20.17%**	2,623,221	20.17%
(iii)	SBI MF - Magnum Comma Fund	**1,088,944**	**8.37%**	1,100,000	8.46%

4. RESERVES AND SURPLUS

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Securities Premium Reserve		
As per last Balance Sheet	**490,037,050**	490,037,050
	490,037,050	490,037,050
Revaluation Reserve		
As per last Balance Sheet	**73,715,773**	76,520,206
Less : Depreciation on Revalued assets	**2,804,433**	2,804,433
	70,911,340	73,715,773
General Reserves		
As per last Balance Sheet	**77,956,310**	67,956,310
Add : Transfer from Profit & Loss A/c	**10,000,000**	10,000,000
	87,956,310	77,956,310

Notes to the Financial Statements for the year ended 31st March, 2014

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Surplus in the Statement of Profit and Loss		
As per last Balance Sheet	**550,068,551**	489,477,326
Add:- Profit for the year	**115,302,889**	93,412,864
	665,371,439	582,890,190
Less:- Appropriations		
Transfer to General Reserve	**10,000,000**	10,000,000
Proposed Dividend on Equity Shares { Dividend Per Share Rs. 2/- (Previous Year Re 1.50) }	**26,008,678**	19,506,509
Dividend Distribution Tax	**4,420,175**	3,315,131
	40,428,853	32,821,640
	624,942,587	550,068,551
Total	**1,273,847,286**	1,191,777,683

5. LONG TERM BORROWINGS

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Secured Term Loans		
Term Loans from Banks	**60,581,355**	144,815,801
	60,581,355	144,815,801
Un-Secured Term Loans		
Term Loans from Banks	**124,799,357**	16,234,172
	124,799,357	16,234,172
Total	**185,380,712**	161,049,973

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

		As at 31-3-2014	As at 31-3-2013
(a)	Secured by way of Charge on the Company's Motor Vehicles.	**5,385,769**	4,656,355
(b)	Foreign Currency Term Loan which is secured by way of Equitable Mortgage of Land and Building and personal guarantee of Directors.	**29,855,624**	94,617,696
(c)	Secured by way of Primary Charge on all Fixed Assets at Mouje Rajpur, Gujarat and personal guarantee of Directors.	**25,339,962**	45,541,750
		60,581,355	144,815,801

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

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

Particulars	F Y 2014-15*	F Y 2015-16	F Y 2016-17	F Y 2017-18 and Beyond
(a) Term Loans from Banks	96,976,877	52,446,490	6,415,579	1,719,286

*** Refer Note No. 10**

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

Particulars	F Y 2014-15*	F Y 2015-16	F Y 2016-17	F Y 2017-18 and Beyond
(a) Term Loans from Banks	7,591,742	8,554,566	9,639,499	106,605,292

*** Refer Note No. 10**

Notes to the Financial Statements for the year ended 31st March, 2014

6. DEFERRED TAX LIABILITY

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Deferred Tax Liability		
Related to Fixed Assets : Impact of difference between income tax depreciation and depreciation charged for the financial reporting.	**65,853,535**	66,134,592
Gross Deferred Tax Liability	**65,853,535**	66,134,592
Deferred Tax Assets		
Disallowance under the Income Tax Act, 1961 U/s 43B	**2,231,300**	2,265,837
Gross Deferred Tax Asset	**2,231,300**	2,265,837
Net Deferred Tax Liability	**63,622,235**	63,868,755

7. LONG TERM PROVISIONS

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Employee Related		
Provision for Leave Salary	**5,445,280**	5,965,690
	5,445,280	5,965,690

8. SHORT TERM BORROWINGS

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Secured Borrowings		
Working Capital Facilities from Banks	**871,804,011**	983,514,438
Un-Secured Borrowings		
Working Capital Facilities from Banks	**-**	150,000,000
Loan from Directors	**27,654,556**	-
Security Deposits	**126,987,539**	127,745,378
Total	**1,026,446,105**	1,261,259,816

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

8.2 Working Capital Facilities from Banks includes :

		As at 31-3-2014	As at 31-3-2013
a)	Loans repayable on demand	**30,000,000**	85,000,000
b)	Cash Credit Facilities	**687,308,593**	588,695,816
c)	Buyers Credit	**154,495,418**	238,651,765
d)	Short Term Loan	**-**	71,166,858
		871,804,011	983,514,438

9. TRADE PAYABLES

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Creditors for Goods	**145,477,633**	213,986,495
Creditors for Expenses	**79,497,852**	71,313,990
Outstanding Expenses	**47,714,483**	35,032,527
Total	**272,689,967**	320,333,013

9.1 There are no Micro and Small Enterprises to whom Company owes dues, which are outstanding for more than 45 days as at 31st March, 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Notes to the Financial Statements for the year ended 31st March, 2014

10. OTHER CURRENT LIABILITIES

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Current Maturities of Long Term Debt (Refer Note No. 5.3 & 5.4)	**104,568,619**	59,134,726
Interest Accrued but not due on Borrowings	**1,410,998**	749,527
Unclaimed Dividend	**1,976,576**	1,412,568
Unclaimed Share Application Money	**580,840**	580,840
Advance/Credits from Customers	**50,103,207**	87,230,107
Dues to Directors	**22,245,917**	12,639,680
Statutory Dues	**18,090,861**	15,189,958
Other Payables	**2,199,265**	7,301,345
Total	**201,176,282**	184,238,751

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

		As at 31-3-2014	As at 31-3-2013
(a)	Secured Term Loans from Banks	**96,976,877**	55,806,484
(b)	Secured Term Loans from Companies	**-**	48,048
(c)	Un-Secured Term Loans from Banks	**7,591,742**	3,280,194
		104,568,619	59,134,726

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

		As at 31-3-2014	As at 31-3-2013
(a)	Secured by way of Charge on the Company's Motor Vehicles.	**2,399,248**	4,193,024
(b)	Foreign Currency Term Loan which is secured by way of Equitable Mortgage of Land and Building and personal guarantee of Directors.	**74,577,629**	31,613,460
(c)	Axis Bank Ltd by way of Primary Charge on all Fixed Assets at Mouje Rajpur, Gujarat and personal guarantee of Directors.	**20,000,000**	20,000,000
		96,976,877	55,806,484

10.3 Un-Secured Term Loans from Banks included in Current Maturities of Long Term Debt to the extent of Rs. 75,91,742/- are secured by way of Charge on personal Assets of Directors and guaranteed by the Directors.

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

10.5 Unclaimed Share Application Money do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

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

10.7 Other Payables includes Book Overdrafts and advance received against sale of KVV.

11. SHORT TERM PROVISIONS

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Employee Related		
Provision for Gratuity	**-**	2,352,037
Provision for Leave Salary	**1,119,298**	1,016,858
Other Provisions		
Proposed Dividend	**26,008,678**	19,506,509
Dividend Distribution Tax	**4,420,175**	3,315,131
Provision for Income Tax (Net of Payments)	**63,653,874**	25,634,870
Provision for Wealth Tax	**375,000**	375,000
Total	**95,577,024**	52,200,404

Notes to the Financial Statements for the year ended 31st March, 2014

12. Fixed Assets

Schedule of Fixed Assets for the year ended 31st March, 2014 **(Amount in Rupees)**

Sr No	Particulars	Gross Block				Depreciation Block					Net Block	
		Balance as on 31-Mar-13	Additions during the Year	Deductions During the Year	Balance as on 31-Mar-14	Balance as on 31-Mar-13	Provided during the Year	On Revaluations	Deductions during the Year	Total as on 31-Mar-14	As on 31-Mar-14	As on 31-Mar-13
	Tangible Assets											
1	Land	13,456,619	-	-	13,456,619	-	-	-	-	-	13,456,619	13,456,619
2	Factory Building	291,507,859	-	-	291,507,859	46,732,918	1,947,146	2,804,433	-	51,484,497	240,023,362	244,774,941
3	Residential Flat	350,000	-	-	350,000	93,077	5,705	-	-	98,782	251,218	256,923
4	Plant & Machinery	62,109,849	358,939	-	62,468,788	19,225,679	2,511,533	-	-	21,737,212	40,731,576	42,884,170
5	Electrical Installations	9,208,364	-	-	9,208,364	1,691,332	408,267	-	-	2,099,599	7,108,765	7,517,032
6	Laboratory Equipments	2,160,762	-	-	2,160,762	662,071	93,364	-	-	755,435	1,405,327	1,498,691
7	Office Equipments	5,012,742	150,837	-	5,163,579	1,907,930	280,014	-	-	2,187,944	2,975,634	3,104,811
8	Furniture & Fixtures	18,122,509	224,694	-	18,347,203	5,054,141	1,104,956	-	-	6,159,097	12,188,106	13,068,368
9	Air Conditioners	3,055,696	91,750	-	3,147,446	1,695,952	145,596	-	-	1,841,548	1,305,898	1,359,744
10	Computer	7,036,903	320,729	-	7,357,632	5,491,611	760,183	-	-	6,251,794	1,105,838	1,545,292
11	Vehicles	45,519,981	5,723,424	9,617,408	41,625,997	16,789,706	3,752,491	-	3,519,737	17,022,460	24,603,537	28,730,275
12	Commercial Vehicles	12,352,918	-	6,895,655	5,457,263	4,970,864	825,980	-	3,101,597	2,695,247	2,762,016	7,382,054
	Sub - Total	**469,894,201**	**6,870,373**	**16,513,063**	**460,251,511**	**104,315,281**	**11,835,235**	**2,804,433**	**6,621,334**	**112,333,615**	**347,917,895**	**365,578,920**
	Previous Year Rs.	393,303,210	117,517,874	40,926,883	469,894,201	102,779,616	15,615,837	2,804,433	16,884,605	104,315,281	365,578,920	290,523,594
	Intangible Assets											
13	Computer Software	17,648,083	6,405	-	17,654,488	13,778,812	2,861,384	-	-	16,640,196	1,014,292	3,869,271
	Sub - Total	**17,648,083**	**6,405**	**-**	**17,654,488**	**13,778,812**	**2,861,384**	**-**	**-**	**16,640,196**	**1,014,292**	**3,869,271**
	Previous Year Rs.	17,648,083	-	-	17,648,083	10,918,054	2,860,758	-	-	13,778,812	3,869,271	6,730,029
14	Capital Work in Progress										108,500,000	136,118,332
	Sub - Total	-	-	-	-	-	-	-	-	-	**108,500,000**	**136,118,332**
	Previous Year Rs.	-	-	-	-	-	-	-	-	-	136,118,332	199,357,553
	Grand Total	**487,542,284**	**6,876,778**	**16,513,063**	**477,905,999**	**118,094,093**	**14,696,619**	**2,804,433**	**6,621,334**	**128,973,811**	**457,432,187**	**505,566,522**
	Previous Year Rs.	410,951,293	117,517,874	40,926,883	487,542,284	113,697,670	18,476,595	2,804,433	16,884,605	118,094,093	505,566,522	496,611,175

12.1 The Gross Block of Fixed Assets includes Rs. 17,60,00,000/- (Previous Year Rs. 17,60,00,000/-) on account of revaluation of Building carried out in F Y 1994-95. Consequent to the said revaluation there is an additional charge of depreciation of Rs. 28,04,433/- (Previous Year Rs. 28,04,433/-) and an equivalent amount has been debited to Revaluation Reserve and Credited to Accumulated Depreciation on Buildings. This has no impact on Profit or Loss for the year.

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

12.3 During the year the management has decided not to pursue the project of Africa further due to non viability of project. Hence the Management has decided to write off all the project related expenses which was brought forward in Balance Sheet in current year.

Notes to the Financial Statements for the year ended 31st March, 2014

13. NON-CURRENT INVESTMENTS

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Trade Investments		
In Equity Shares of Indian Subsidiary Companies - Unquoted, Fully paidup		
(a) (10,000 Equity Shares @ Rs. 10/- per Share) - Aries Agro Care Pvt Ltd	**100,000**	100,000
(b) (10,000 Equity Shares @ 10/- per Share) - Aries Agro Equipments Pvt Ltd	**100,000**	100,000
(c) (7,500 Equity Shares @ 10/- per Share) - Aries Agro Produce Pvt Ltd	**75,000**	75,000
In Equity Shares of Foreign Subsidiary Companies - Unquoted, Fully paidup		
(a) 1,125 Equity Shares of AED 100/- each- Golden Harvest Middle East FZC	**1,227,375**	1,227,375
(b) Shareholders Current A/c - Golden Harvest Middle East FZC	**201,261,625**	201,261,625
	202,764,000	202,764,000
Other Investments		
In Government Securities - Unquoted		
National Savings Certificate	**17,300**	17,300
(Deposited with BMC for plot at Deonar, Mumbai and for S.S.I. Registration deposited with Industrial Department, Hyderabad)		
	17,300	17,300
Total	**202,781,300**	202,781,300

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

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

13.3 Golden Harvest Middle East FZC was incorporated on 31st December, 2004 as a Free Zone Company with limited liability to carry on the activities of manufacturing Chemical Fertilizer and exporting all the necessities, material and acts related to its natural work or needed to the above mentioned works. In the year 2008 it became 75% subsidiary of the Company, Aries Agro Limited.The Registered Office of the Company is located at " SAIF Zone (Emirates of Sharjah)". The said Company has no accumulated losses as at 31st March, 2014.

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

13.5 Losses of Subsidiaries not provided in accounts :

		Year Ended 31st March, 2014		Year Ended 31st March, 2013	
		Accumulated	**Current Year**	Accumulated	Current Year
a)	Aries Agro Care Pvt. Ltd.	**(2,673,971)**	**(90,363)**	(2,583,608)	(595,669)
b)	Aries Agro Produce Pvt. Ltd.	**(253,168)**	**(24,084)**	(229,083)	(22,846)
			(114,447)		(618,515)

14. INVENTORIES

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
(At lower of cost or Net Realisable Value)		
(As Certified and valued by the Management)		
Raw Materials	**258,678,889**	303,240,310
Finished Goods	**539,965,562**	526,682,427
Stock-in-Trade (in respect of Goods aquired for Trading)	**104,791,246**	92,712,714
Packing Materials	**91,328,612**	101,343,287
Total	**994,764,309**	1,023,978,738

Notes to the Financial Statements for the year ended 31st March, 2014

15. TRADE RECEIVABLES

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
(Unsecured - Considered Good)		
Outstanding for a period exceeding six months (from Due Date of Payment)	**275,180,875**	239,464,555
Others	**675,316,994**	584,967,449
Total	**950,497,869**	824,432,004

15.1 Trade Receivables includes Amount due from Related Parties

	Particulars	**Maximum Balance during the year Rupees**	**As at 31st March, 2014 Rupees**	Maximum Balance during the year Rupees	As at 31st March, 2013 Rupees
(a)	Aries Agro Equipments Pvt. Ltd.	**-**	**-**	45,470	-
(b)	Amarak Chemicals FZC	**9,715,829**	**9,715,829**	5,242,022	5,227,123
			9,715,829		5,227,123

16. CASH AND CASH EQUIVALENTS

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Balance with Scheduled Banks in Current Accounts	**84,329,267**	74,493,513
Cash on hand	**429,278**	3,203,293
Balance with Scheduled Banks in Fixed Deposit Accounts	**39,736,127**	125,260,323
Total	**124,494,671**	202,957,129

16.1 Balance with Banks includes Unclaimed Dividend of Rs. 19.77 Lacs and Unclaimed Share Application Money of Rs. 5.81 Lacs (Previous Year Unclaimed Dividend Rs. 14.13 Lacs and Unclaimed Share Application Money Rs. 5.81 Lacs).

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

16.3 Fixed Deposits with Banks includes Rs. 2,30,000/- being the amount of Fixed Deposits for issue of Bank Guarantees on behalf of Subsidiaries / Associates.

17. SHORT TERM LOANS AND ADVANCES

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Loans and Advances to Related Parties (Refer Note No. 27)	**184,184,336**	251,559,188
Balances with Customs, Central Excise Authorities	**6,524,998**	2,502,063
Deposits	**6,379,120**	6,463,191
Others	**299,579,492**	322,907,338
MAT Credit Entitlement	**27,590,000**	27,590,000
Total	**524,257,946**	611,021,781

Notes to the Financial Statements for the year ended 31st March, 2014

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

Particulars		Maximum Balance during the year Rupees	As at 31st March, 2014 Rupees	Maximum Balance during the year Rupees	As at 31st March, 2013 Rupees
Subsidiary Companies					
(a) Amarak Chemicals FZC	Subsidiary	-	-	45,256,425	10,797,596
(b) Aries Agro Care Pvt Ltd	Subsidiary	5,804,935	5,804,935	5,587,435	5,587,435
(c) Aries Agro Equipments Pvt Ltd	Subsidiary	4,736,979	3,550,259	10,779,318	4,548,279
(d) Aries Agro Produce Pvt Ltd	Subsidiary	65,460	65,460	65,460	65,460
(e) Golden Harvest Middle East FZC	Subsidiary	232,390,900	174,763,682	328,815,608	230,560,418
			184,184,336		251,559,188

a) All the above Loans and Advances are interest free loans except Loan granted to Golden Harvest Middle East FZC.

b) Receipt of the principal amount of the above loans are regular.

c) Other terms and conditions on which such loans and advances are given to the Companies are not prejudicial to the interest of the Company.

17.2 Other Advances includes :

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
a) Advance to Suppliers	293,030,201	303,917,794
b) Advance to Staff against expenses	975,712	11,786,631
c) Imprest Advance for Vehicle Expenses	167,500	173,209
d) Interest Accrued but not due	2,120,590	1,748,719
e) Prepaid Expenses	2,907,426	4,379,893
f) Staff Loans	378,063	901,093
	299,579,492	322,907,338

18. REVENUE FROM OPERATIONS

	Year Ended 31 March 2014 Rupees	Year Ended 31 March 2013 Rupees
Sales of Products		
Manufactured	1,411,941,626	1,372,244,025
Traded	963,331,195	525,350,899
	2,375,272,821	1,897,594,924
Less:- Excise Duty	46,622,795	30,007,317
Total	2,328,650,026	1,867,587,607

Notes to the Financial Statements for the year ended 31st March, 2014

18.1 Particulars of Sale of Products :

Particulars	As at 31st March, 2014 Rupees		As at 31st March, 2013 Rupees	
Manufactured Products				
(a) Agricultural Mirconutrient and Speciality Fertilizers	**1,199,472,599**		1,244,100,539	
(b) Insecticides and Pesticides	**209,342,255**		124,788,627	
(c) Animal Feed and Feed Concentrates	**3,126,773**		3,354,859	
	1,411,941,626		1,372,244,025	
Less :- Excise Duty	**46,622,795**	**1,365,318,831**	30,007,317	1,342,236,708
Traded Products				
(a) Agricultural Mirconutrient and Speciality Fertilizers	**797,584,459**		400,473,034	
(b) Insecticides and Pesticides	**5,887,433**		81,005,639	
(c) Agri Equipments	**17,039,195**		18,997,974	
(d) Others	**142,820,108**	**963,331,195**	24,874,252	525,350,899
Total		**2,328,650,026**		1,867,587,607

19. OTHER INCOME

	Year Ended 31 March 2014 Rupees	Year Ended 31 March 2013 Rupees
Interest Income on :		
Bank Fixed Deposits	**8,000,178**	7,046,243
Others	**14,347,536**	24,326,759
Other Non-Operating Income		
Misc. / Other Income	**24,975**	217,308
Re-Processing Charges	**250,219**	655,541
Sales Tax Refund	**-**	72,275
Total	**22,622,907**	32,318,127

20. CONSUMPTION OF MATERIALS

	Year Ended 31 March 2014 Rupees	Year Ended 31 March 2013 Rupees
1) Opening Stock of Raw Materials	**303,240,310**	285,306,750
Add : Purchases	**506,276,538**	376,055,178
	809,516,848	661,361,928
Less : Closing Stock of Raw Materials	**258,678,889**	303,240,310
Raw Material Consumed	**550,837,959**	358,121,618
2) Opening Stock of Traded Products	**92,712,714**	191,555,442
Add : Purchases	**330,605,191**	259,226,553
	423,317,905	450,781,995
Less : Closing Stock of Traded Products	**104,791,246**	92,712,714
Cost of Goods Sold	**318,526,659**	358,069,281
3) Opening Stock of Packing Materials	**101,343,287**	99,900,760
Add : Purchases	**118,034,239**	99,021,553
	219,377,526	198,922,313
Less : Closing Stock of Packing Materials	**91,328,612**	101,343,287
Packing Materials Consumed	**128,048,914**	97,579,026
Consumption of Materials (1+2+3)	**997,413,531**	813,769,925

Notes to the Financial Statements for the year ended 31st March, 2014

21. (INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS

	Year Ended 31 March 2014 Rupees	Year Ended 31 March 2013 Rupees
Inventories at the beginning of the year		
Finished Goods	**526,682,427**	451,475,811
	526,682,427	451,475,811
Inventories at the end of the year		
Finished Goods	**539,965,562**	526,682,427
(Increase) / Decrease in Inventories	**(13,283,135)**	(75,206,616)

22. EMPLOYEE BENEFIT EXPENSES

	Year Ended 31 March 2014 Rupees	Year Ended 31 March 2013 Rupees
Salary and Wages	**183,701,352**	165,691,191
Directors Remuneration	**20,048,204**	15,095,620
Contribution to Provident & Other Funds	**20,837,500**	18,387,915
Staff Welfare Expenses	**6,197,928**	5,451,116
Total	**230,784,984**	204,625,841

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

Particulars	Year Ended 31 March 2014 Rupees	Year Ended 31 March 2013 Rupees
Defined Contribution Plans		
Contribution to Defined Contribution Plans, recognised as expense for the year is as under:		
Employer's Contribution to Provident Fund	**15,368,290**	12,158,719
All Employees having served from the 1st day of their employment are entitled to the benefits of the contribution to Provident Fund.		
The Company contributes specified percentage of the salary paid to Employees to the Defined Fund.		
Defined Benefit Plan		
All Employees who have completed five years or more of service are entitled to benefits of Gratuity. The Company has the Employee's Gratuity scheme managed by Life Insurance Corporation of India which is a Defined Benefits Plan. The present value of obligation is determined based on actuarial valuation. The obligation for Leave Encashment is recognised in the same manner as Gratuity.		

I Reconciliation of Opening and Closing balances of Defined Benefit Obligation

	Gratuity		Leave Encashment	
	2013-14	2012-13	**2013-14**	2012-13
Defined Benefit obligation at beginning of year	**43,078,325**	40,613,577	**6,982,548**	5,966,144
Current Service Cost	**2,923,737**	2,695,366	**1,153,081**	1,419,190
Interest Cost	**3,446,266**	3,249,086	**558,604**	522,038
Actuarial (gain) / loss	**(19,739)**	1,886,644	**(1,578,845)**	(625,976)
Benefits paid	**(5,013,133)**	(5,366,348)	**(550,810)**	(298,848)
Defined Benefits obligation at year end	**44,415,456**	43,078,325	**6,564,578**	6,982,548

Notes to the Financial Statements for the year ended 31st March, 2014

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

	Gratuity	
	2013-14	2012-13
Fair value of plan assets at beginning of the year	**38,408,705**	35,349,900
Expected return on plan assets	**3,258,848**	3,161,476
Actuarial gain / (loss)	**-**	-
Contributions	**4,666,310**	5,263,677
Benefits paid	**(5,013,133)**	(5,366,348)
Fair value of Plan assets at year end	**41,320,730**	38,408,705
Actual return on plan assets	**3,258,848**	3,161,476

III Reconciliation of fair value of assets and obligations

	Gratuity		Leave Encashment	
	2013-14	2012-13	**2013-14**	2012-13
Fair value of plan assets	**41,320,730**	38,408,705	**-**	-
Present value of obligation	**44,415,456**	43,078,325	**6,564,578**	6,982,548
Amount recognised in Balance Sheet	**3,094,726**	4,669,620	**6,564,578**	6,982,548

IV Expenses recognised during the year

	Gratuity		Leave Encashment	
	2013-14	2012-13	**2013-14**	2012-13
Current Service Ccost	**2,923,737**	2,695,366	**1,153,081**	1,419,190
Interest Cost	**3,446,266**	3,249,086	**558,604**	522,038
Expected return on Plant assets	**(3,258,848)**	(3,161,476)	**-**	-
Actuarial (gain) / loss	**(19,739)**	1,886,644	**(1,578,845)**	(625,976)
Net Cost	**3,091,416**	4,669,620	**132,840**	1,315,252

V Investment details :

	% Invested	
	2013-14	2012-13
Insurance Policies	**100.00**	100.00
	100.00	100.00

VI Actuarial assumptions

	Gratuity		Leave Encashment	
	2013-14	2012-13	**2013-14**	2012-13
Mortality Table (LIC)	**2006-08 (Ultimate)**	1994-96 (Ultimate)	**2006-08 (Ultimate)**	1994-96 (Ultimate)
Discount rate (per annum)	**8%**	8%	**9.25%**	8.00%
Expected rate of return on plan assets (per annum)	**8%**	8%		
Rate of escalation in salary (per annum)	**5%**	5%	**7.00%**	7.00%

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

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

Notes to the Financial Statements for the year ended 31st March, 2014

23. FINANCE COSTS

	Year Ended 31 March 2014 Rupees	Year Ended 31 March 2013 Rupees
Interest Expense	**197,062,094**	152,502,300
Other Borrowing Costs	**30,614,698**	31,571,272
Net Gain / Loss on Foreign Currency Transaction and Translation	**21,150,304**	25,980,324
Total	**248,827,096**	210,053,895

24. OTHER EXPENSES

	Year Ended 31 March 2014 Rupees	Year Ended 31 March 2013 Rupees
Manufacturing Expenses		
Consumption of Stores & Spare Parts	**994,055**	690,418
Power & Fuel	**9,097,447**	6,232,155
Rent, Rates & Taxes	**5,463,353**	6,609,792
Repairs to Building	**1,163,542**	1,437,421
Repairs to Machinery	**2,172,888**	1,486,450
Miscellaneous Expenses	**125,968,245**	110,831,746
	144,859,530	127,287,982
Selling & Distribution Expenses		
Advertisement & Publicity	**97,571,575**	68,729,418
Discount and Rebate	**187,438,783**	141,049,070
Freight & Delivery Expenses	**90,377,201**	80,049,012
Mobile Selling Expenses	**1,238,511**	8,837,491
Selling Expenses	**8,739,494**	9,917,545
Travelling Expenses	**60,906,064**	55,118,368
	446,271,627	363,700,902
Other Administration Expenses		
Audit Fees	**1,685,400**	1,685,400
Conveyance & Motor Car Expenses	**25,644,459**	21,836,191
Electricity	**1,011,590**	1,119,823
General Expenses	**3,173,966**	4,168,609
Insurance	**3,495,136**	4,213,621
Legal & Professional Fees	**12,239,956**	9,684,395
Loss on Sale of Asset	**5,115,356**	10,072,484
Postage & Telephones	**7,801,648**	7,368,182
Printing & Stationery	**5,283,560**	6,156,832
Rent, Rates & Taxes	**30,882,233**	28,814,583
Repairs & Maintenance	**1,272,777**	1,732,745
	97,606,082	96,852,865
Total	**688,737,239**	587,841,749

Notes to the Financial Statements for the year ended 31st March, 2014

Payment to Auditors as :

Particulars		Year Ended 31st March, 2014 Rupees	Year Ended 31st March, 2013 Rupees
(a)	Statutory Audit Fees	**1,685,400**	1,685,400
(b)	Tax Audit Fees	**168,540**	168,540
(c)	Taxation Matters	**117,978**	117,978
(d)	Certification and Consultancy Fees	**157,304**	258,428
		2,129,222	2,230,346

25. EARNINGS PER SHARE (EPS)

		Year Ended 31st March, 2014 Rupees	Year Ended 31st March, 2013 Rupees
(i)	Net Profit After Tax (PAT) as per Statement of Profit and Loss attributable to Equity Shareholders	**115,302,889**	93,412,864
(ii)	Weighted Average number of Equity Shares used as denominator for calculating EPS	**13,004,339**	13,004,339
(iii)	Basic & Diluted Earnings per Share (Rs.)	**8.87**	7.18
(iv)	Face Value per Equity Share (Rs.)	**10**	10

26.1 The Company's significant leasing arrangements are in respect of Operating Leases for Vehicles. These leasing arrangements which are not non-cancellable range upto 36 months generally and are renewable by mutual consent on mutually agreeable terms. The aggregate Lease Rentals payable are charged as "RENT" in Other Administrative Expenses under Note 24.

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

Particulars		Total Minimum Lease Payments outstanding as at 31st March, 2014 Rupees	Total Minimum Lease Payments outstanding as at 31st March, 2013 Rupees
(a)	Within One year	**9,330,647**	15,795,012
(b)	Later than One year and not later than Five years	**1,939,976**	11,347,431
		11,270,623	27,142,444

The above lease rentals are inclusive of VAT, Insurance and Other Charges

26.2 Lease payments recognised in the statement of Profit and Loss Account :

Particulars		Year Ended 31st March, 2014 Rupees	Year Ended 31st March, 2013 Rupees
(a)	Minimum Lease Payments (Inclusive of VAT, Insurance and Other Charges)	**20,184,317**	15,786,702

26.3 General description of Lease terms :

(a) Lease Rentals are charged on the basis of agreed terms.

(b) Assets are taken on Lease for a period of 36 months.

Notes to the Financial Statements for the year ended 31st March, 2014

28. RELATED PARTY DISCLOSURES

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

Part - A

Details of Related Parties as per AS - 18

Sr. No.	Nature of Relationship	Name of the Related Party	Remarks	
1	Subsiriary	a) Aries Agro Care Pvt Ltd b) Aries Agro Equipments Pvt Ltd c) Aries Agro Produce Pvt Ltd d) Golden Harvest Middle East FZC e) Amarak Chemicals FZC	a) Date of Incorporation 5th January, 2007 b) Date of Incorporation 12th January, 2007 c) Date of Incorporation 20th June, 2008 d) Date of Incorporation 31st October, 2004 e) Step Down Subsidiary Date of Incorporation 9th September, 2007	
2	Enterprises over which the Key Management Persons has significant Influence of Control	a) Aries Marketing Ltd. b) Blossoms International Ltd. c) Sreeni Agro Chemicals Ltd. d) Aries East West Nutrients Pvt. Ltd. e) Mruga Corporate Services Ltd.		
3	Key Management Personnel	a) Dr. Jimmy Mirchandani b) Dr. Rahul Mirchandani c) Mr. Akshay Mirchandani	a) Chairman & Managing Director b) Executive Director c) Director	
4	Relatives of Key Management Personnel	**Name of the Key Management Personnel**	**Name of the Relative**	**Relationship**
		a) Dr. Jimmy Mirchandani	a) Late Mrs. Sarasa Mirchandani b) Mr. Akshay Mirchandani c) Mr. Amol Mirchandani d) Dr. Rahul Mirchandani	Spouse Son Son Brother
		b) Dr. Rahul Mirchandani	a) Mrs. Nitya Mirchandani b) Mastar Armaan Mirchandani c) Dr. Jimmy Mirchandani	Spouse Son Brother
		c) Mr. Akshay Mirchandani	a) Mrs. Aparna Mirchandani b) Dr. Jimmy Mirchandani c) Late Mrs. Sarasa Mirchandani d) Mr. Amol Mirchandani e) Master Aman Mirchandani	Spouse Father Mother Brother Son

Part - B

Details of Transactions with Related Parties

Sr. No.	Category	Nature of Service	Year Ended 31 March 2014 Rupees	Year Ended 31 March 2013 Rupees
1	Subsidiary	Finance - Loans / Payments Given	**852,973**	2,284,910
		Finance - Loans / Payments Received	**39,817,077**	128,202,182
		Sale of Goods	**44,797,533**	25,545,971
		Purchases Made	**121,928,456**	134,218,555
		Receipts from Sale of Goods	**41,299,085**	11,470,799
		Payments (Net of Receipts) for Goods	**62,488,930**	227,146,030
		Interest on Loan	**3,731,699**	7,078,649
2	Enterprises over which Key Management Personnel has significant influence or control	Finance - Loans / Payments Given	**125,596**	37,921
		Legal & Professional Fees	**146,068**	37,921
3	Key Management Personnel	Finance - Loans / Payments Given	**4,145,445**	18,000,000
		Finance - Loans / Payments Received	**31,800,000**	18,000,000
		Directors Remuneration Paid	**19,603,204**	14,603,204

Notes to the Financial Statements for the year ended 31st March, 2014

Part - C

Balance Outstanding with Related Parties

Category	Nature of Outstanding	Name of the Party	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Subsidiary	Loans & Advances	Aries Agro Care Pvt. Ltd.	**5,804,935**	5,587,435
		Aries Agro Equipments Pvt. Ltd.	**3,550,259**	4,548,279
		Aries Agro Produce Pvt. Ltd.	**65,460**	65,460
		Golden Harvest Middle East FZC	**174,763,682**	230,560,418
		Amarak Chemicals FZC	**-**	10,797,596
	Creditors for Goods	Golden Harvest Middle East FZC	**26,161,673**	25,236,662
		Aries Agro Equipments Pvt. Ltd.	**11,806,960**	11,769,162
	Share Application Money	Golden Harvest Middle East FZC	**202,489,000**	202,489,000
	Sundry Debtors	Amarak Chemicals FZC	**9,715,829**	5,227,123
Enterprises over which Key Management Personnel has significant influence or control	Creditors for Expenses	Mruga Corporate Services Ltd.	**20,472**	-
Key Management Personnel	Dues to Directors	Dr. Jimmy Mirchandani	**7,692,527**	2,892,527
		Dr. Rahul Mirchandani	**14,553,390**	9,747,153

28. 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.

29. Contingent Liability not provided for in the accounts:

- **a)** Letters of credit / guarantees given to Banks Rs. 4,464.20 Lacs
- **b)** Bills discounting with Banks Rs. 1,000/- Lacs.
- **c)** Claims against company not acknowledged as debts Rs. 87.13 Lacs which includes tax dues disputed as Rs. 2.68 Lacs towards sales Tax, Rs. 54.56 Lacs towards Income Tax and includes Rs. 29.88 Lacs pertaining to pending suits regarding quality issue.
- **d)** The Commissioners of Central Excise, Mumbai and Hyderabad had issued Show Cause-Cum-Demand Notices for levy of Excise Duty on clearances of Micronutrients. The Commissioner of Central Excise, Mumbai, vide his Order dated 27th November, 2006 and Commissioner of Central Excise, Hyderabad, vide his Order dated 30th November 2005 had cancelled these demands in respect of clearance upto June, 2006. The Department has preferred appeals against the said orders. The Department has 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.

30. Segmental Reporting as per Accounting Standard - 17

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

31.

Supplementary Profit and Loss Data		Year Ended 31st March 2014	Year Ended 31st March 2013
(a)	Value of Imports calculated on CIF basis (on accrual basis) :	**377,826,221**	311,506,656
(b)	Earnings in Foreign Currency (on accrual basis)		
	F.O.B. Value of export sales	**44,835,770**	26,527,896
	Interest on ECB loans	**3,654,496**	7,078,649

		Year Ended 31st March 2014	Year Ended 31st March 2013
(c)	Expenditure in Foreign Currency (on accrual basis)		
	Foreign Traveling Expenses	**3,529,863**	652,886
	Remittance towards Share Application Money to Golden Harvest Middle East FZC	**-**	-
	Interest on ECB Loans	**3,654,496**	7,078,649

(d)	Net Dividend remitted in Foreign Exchange		
	Year to which it relates	**2012-13**	2011-12
	Number of Non-Resident Shareholders	**119**	164
	Number of Equity Shares held on which Dividend was due	**142,531**	459,866
	Dividend Remitted	**213,812**	689,799

(e)	Details of Consumption of Raw Materials :				
	Particulars	**Year Ended 31st March 2014**		Year Ended 31st March 2013	
	Imported	**368,566,232**	**66.91%**	241,495,238	67.43%
	Indigenous	**182,271,727**	**33.09%**	116,626,380	32.57%
	Total	**550,837,959**	**100.00%**	358,121,618	100.00%

32. **Derivative Instrument**

The Company has entered into hedging contract in respect of Interest rate on ECB Loans. The profit and loss arising on account of such hedging contract is accounted as and when payment of interest falls due. The Company recovers such costs from its Subsidiary and hence there is no effect on profit and loss of the Company.

33. The Company has acquired a vehicle in the name of the Director which is yet to be transferred in the name of the Company. The Company has all the ownership rights and Depreciation thereon has been charged at the rates prescribed in the Schedule XIV to the Companies Act, 1956.

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

As per our report of even date

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

Kirti D Shah
Proprietor
Membership No 32371

Place : Mumbai
Date : 30th May, 2014

For and on behalf of the Board

Dr. Jimmy Mirchandani
Chairman & Managing Director

Prof R S S Mani
Director

Mr. S. Ramamurthy
Chief Financial Officer

Dr. Rahul Mirchandani
Executive Director

Mr. C. B. Chhaya
Director

Mr. Qaiser P. Ansari
Company Secretary

Mrs. Nitya Mirchandani
Additional Director

Mr. B. V. Dholakia
Director

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

(Rupees in Lakhs)

Name of the Subsidiary Company	Financial Year ended 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	
1	2	3	4	5	6	7	8
				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)	Profit / (Losses) so far it concerns the Members of the Holding Company and dealt with in the books of account of the Holding Company .	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. 8)	Profit / (Losses) so far it concerns the Members of the Holding Company and dealt with in the books of account of the Holding Company .
Aries Agro Care Pvt. Ltd.	31st March, 2014	10,000	100%	(0.90)	Nil	(25.84)	Nil
Aries Agro Equipments Pvt. Ltd.	31st March, 2014	10,000	100%	(9.71)	Nil	87.45	Nil
Golden Harvest Middle East FZC	31st March, 2014	1,125	75%	229.27	Nil	2,212.71	Nil
Aries Agro Produce Pvt. Ltd.	31st March, 2014	7,500	75%	(0.18)	Nil	(1.72)	Nil
Amarak Chemicals FZC	31st March, 2014	15,000 by Golden Harvest Middle East FZC	75%	Step Down Subsidiary			

As per our report of even date

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

Kirti D Shah
Proprietor
Membership No 32371

Place : Mumbai
Date : 30th May, 2014

For and on behalf of the Board

Dr. Jimmy Mirchandani
Chairman & Managing Director

Prof R S S Mani
Director

Mr. S. Ramamurthy
Chief Financial Officer

Dr. Rahul Mirchandani
Executive Director

Mr. C. B. Chhaya
Director

Mr. Qaiser P. Ansari
Company Secretary

Mrs. Nitya Mirchandani
Additional Director

Mr. B. V. Dholakia
Director

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ARIES AGRO LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statement of **ARIES AGRO LIMITED** ("the Company"), its subsidiaries and jointly controlled entities (collectively referred as the " the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act , 1956 (The Act) read with the general Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated 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 Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements /consolidated financial statement of the subsidiaries and associates as noted below, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;

(b) In the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and

(c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

OTHER MATTERS

Financial Statements/consolidated financial statements of certain subsidiaries which reflect total asset of Rs. 15,350,331/- as at 31st March, 2014 total revenue of Rs. 261,677/- and net cash flow amounting to Rs. 66,564/- for the year then ended, have been audited by us and financial statements of an associate in which the share of Loss of the group is Rs. 1,086,406/- have been audited by us.

We did not audit the financial statements / consolidated financial statements of certain subsidiaries whose financial statements reflect total asset of AED 102,638,732 as at March 31,2014 total revenues of AED 52,006,124 and net cash flow amounting to AED 121,989 for the year ended on that date and financial statements of an associate in which the share of profit of the group is AED 3,843,996. This financial statements / consolidated financial statements have been audited by other auditors whose report have been furnished to us and our opinion is based solely on the reports of the other auditors.

Our opinion is not qualified in respects of other matters.

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

Kirti D. Shah
Proprietor
Membership No. 32371

Place: Mumbai
Date:- 30th May, 2014

Consolidated Balance Sheet as at 31st March, 2014

Particulars		Note No.	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
I.	**EQUITY AND LIABILITIES**			
(1)	**Shareholder's Funds**			
	(a) Share Capital	3	**130,043,390**	130,043,390
	(b) Reserves and Surplus	4	**1,638,184,003**	1,461,781,934
			1,768,227,393	1,591,825,324
(2)	**Minority Interest**			
	Minority Interest - Equity	5	**180,438,419**	143,948,782
	Minority Interest - Non-Equity		**108,575,684**	74,480,930
			289,014,104	218,429,712
(3)	**Non-Current Liabilities**			
	(a) Long Term Borrowings	6	**188,454,853**	163,447,299
	(b) Deferred Tax Liability	7	**63,622,235**	63,868,755
	(c) Long Term Provisions	8	**11,284,732**	8,824,832
			263,361,820	236,140,886
(4)	**Current Liabilities**			
	(a) Short Term Borrowings	9	**1,482,258,799**	1,673,790,136
	(b) Trade Payables	10	**412,335,337**	349,122,917
	(c) Other Current Liabilities	11	**194,974,374**	170,683,796
	(d) Short Term Provisions	12	**99,427,600**	54,684,382
			2,188,996,110	2,248,281,230
	TOTAL		**4,509,599,427**	4,294,677,153
II.	**ASSETS**			
(1)	**Non-Current Assets**			
	(a) **Fixed Assets**	13		
	(i) Tangible Assets		**985,196,426**	996,379,202
	(ii) Intangible Assets		**1,014,292**	3,869,271
	(iii) Goodwill		**16,046,845**	14,539,132
	(iv) Capital Work-in-Progress		**108,500,000**	136,118,332
	(b) Non-Current Investments	14	**19,596,500**	17,756,900
	(c) Unamortised Expenses	15	**-**	784,430
			1,130,354,063	1,169,447,267
(2)	**Current Assets**			
	(a) Inventories	16	**1,367,595,552**	1,347,957,260
	(b) Trade Receivables	17	**1,317,971,955**	1,006,433,206
	(c) Cash & Cash Equivalents	18	**126,551,676**	208,113,620
	(d) Short Term Loans and Advances	19	**567,126,180**	562,725,799
			3,379,245,363	3,125,229,885
	TOTAL		**4,509,599,427**	4,294,677,153

Significant Accounting Policies &
The Notes to Accounts 1 to 36 form part of these Financial Statements

As per our report of even date

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

Kirti D Shah
Proprietor
Membership No 32371

For and on behalf of the Board

Dr. Jimmy Mirchandani
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Mr. Qaiser P. Ansari
Company Secretary

Mrs. Nitya Mirchandani
Additional Director

Mr. B. V. Dholakia
Director

Place : Mumbai.
Date : 30th May, 2014

Consolidated Statement of Profit and Loss for the Year Ended 31st March, 2014

	Particulars		Note No.	Year Ended 31 March 2014 Rupees	Year Ended 31 March 2013 Rupees
I.	Revenue from Operations		20	**2,977,673,049**	2,518,009,960
II.	Other Income		21	**19,233,417**	26,292,892
III.	Total Revenue (I + II)			**2,996,906,466**	2,544,302,853
IV.	Expenses :				
	(a)	Consumption of Materials	22	**1,307,365,023**	1,146,444,395
	(b)	(Increase) / Decrease in Inventories of Finished Goods	23	**(16,084,232)**	(37,670,153)
	(c)	Employee Benefit Expenses	24	**257,814,136**	224,373,087
	(d)	Finance Costs	25	**283,655,860**	239,163,098
	(e)	Depreciation & Amortization Expenses	13	**86,941,373**	80,899,159
	(f)	Other Expenses	26	**823,980,641**	688,572,652
		Total Expenses		**2,743,672,801**	2,341,782,238
V.	**Profit Before Tax (PBT) - (III - IV)**			**253,233,665**	202,520,615
VI.	**Provision for Taxation**				
	(i)	Tax Expense			
		Current Tax		**65,400,000**	28,450,000
		Less :- Mat Credit Entitlement		**-**	(27,590,000)
		Deferred Tax		**(246,520)**	42,480,635
	(ii)	Wealth tax		**375,000**	375,000
				65,528,480	43,715,635
VII.	**Profit After Tax (Before Minority Interest) (PAT) - (V - VI)**			**187,705,185**	158,804,980
	Less :- Share of Profit transferred to Minority Interest			**25,252,028**	18,988,024
VIII.	**Profit After Tax (After Minority Interest)**			**162,453,158**	139,816,956
	Less :- Short Provision for Tax in Earlier Years			**3,225,281**	3,718,254
	Less :- MAT Credit Written Off			**45,000**	-
IX.	**Profit / (Loss) for the period**			**159,182,876**	136,098,702
EBIDTA					
X.	**Earnings per Equity Share**		27		
	(1)	Basic & Diluted		**12.24**	10.47
	(2)	Diluted			

Significant Accounting Policies &
The Notes to Accounts 1 to 36 form part of these Financial Statements

As per our report of even date

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

Kirti D Shah
Proprietor
Membership No 32371

For and on behalf of the Board

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Mr. Qaiser P. Ansari
Company Secretary

Mrs. Nitya Mirchandani
Additional Director

Mr. B. V. Dholakia
Director

Place : Mumbai.
Date : 30th May, 2014

Consolidated Statement of Cash Flows for the Year Ended 31st March, 2014

Rupees in Lacs

	Particulars	2013-14		2012-13	
A)	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax as per Profit and Loss Account		**2,532.34**		2,025.21
	Adjusted for :				
	Loss on Sale / Discard of Assets (net)	**49.63**		100.72	
	Depreciation and Amortisation Expenses	**869.41**		808.99	
	Effect of Exchange Rate Change	**(54.50)**		(52.25)	
	Proposed Dividend	**(260.09)**		(195.07)	
	Dividend Distribution Tax	**(44.20)**		(33.15)	
	Interest Income	**(187.36)**		(248.19)	
	Finance Cost	**2,836.56**		2,391.63	
			3,209.45		2,772.70
	Operating Profit before Working Capital Changes		**5,741.79**		4,797.91
	Adjusted for :				
	Trade Receivable	**(3,115.39)**		(1,256.32)	
	Inventories	**(196.38)**		(708.51)	
	Trade Payable	**632.12**		(798.94)	
	Other Payable	**714.94**		(1,111.65)	
			(1,964.71)		(3,875.43)
	Cash Generated from Operations,		**3,777.08**		922.48
	Net Prior Year Adjustments	**(32.70)**		(37.18)	
	Taxes Paid	**(657.75)**		(12.35)	
			(690.45)		(49.53)
	Net Cash from Operating Activities		**3,086.63**		872.94
B)	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Purchase of Fixed Assets		**37.15**		(922.11)
	Sale of Fixed Assets		**66.47**		156.96
	Purchase of Investment		**-**		(0.02)
	Movement in Short Term Loans and Advances		**(44.00)**		(1,757.19)
	Interest Income		**187.36**		248.19
	Net Cash (used in) Investing Activities		**246.97**		(2,274.17)
C)	**CASH FLOW FROM FINANCIAL ACTIVITIES:**				
	Proceeds from Issue of Share Capital, Increase in Share Application Money, Shareholders Current Account		**352.57**		76.15
	Long Term Borrowings (Net)		**250.08**		(21.99)
	Short Term Borrowings (Net)		**(1,915.31)**		3,968.14
	Finance Cost		**(2,836.56)**		(2,391.63)
	Net Cash (used in) / from financing activities		**(4,149.22)**		1,630.67
	Net Increase in Cash and Cash Equivalents		**(815.62)**		229.44
	Opening Balance of Cash and Cash Equivalents		**2,081.14**		1,851.70
	Closing Balance of Cash and Cash Equivalents		**1,265.52**		2,081.14

As per our report of even date

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

Kirti D Shah
Proprietor
Membership No 32371

For and on behalf of the Board

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Director

Mr. Qaiser P. Ansari
Company Secretary

Mrs. Nitya Mirchandani
Additional Director

Mr. B. V. Dholakia
Director

Place : Mumbai.
Date : 30th May, 2014

Notes to the Consolidated Financial Statement for the Year Ended 31st March, 2014

1. Corporate Information

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

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

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

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

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

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

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

2. Basis of preparation and consolidation

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Group has prepared these consolidated financial statements to comply in all material respects with the Accounting Standards, notified by the Companies Accounting Standards Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 to reflect the financial position and the results of operations of "ARIES GROUP" together with its subsidiary companies. The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention except in case of assets for which provision for impairment is made and revaluation is carried out.

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

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

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

2.1 Summary of significant accounting policies

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

The financial statements are prepared under the historical cost convention, except for certain fixed assets which are revalued, in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

(ii) Use of estimates

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

B. Tangible fixed assets

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

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

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

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

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

C. Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher.

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

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

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

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

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

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

D. Intangible assets

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

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

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

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

Goodwill

Goodwill represents the excess of the purchase price over the book value of the net assets of the acquired subsidiary company on the date of investment. Goodwill is not amortised but is tested for impairment on a yearly basis

E. Borrowing Costs

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

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

F. Impairment of tangible and intangible assets

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

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

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

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

G. Inventories

Inventories are valued as follows:

(i) **Raw materials and packing materials** : Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a first-in-first out basis. Customs duty on imported raw materials (excluding stocks in the bonded warehouse) is treated as part of the cost of the inventories.

(ii) **Work-in-progress and finished goods** : Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

(iii) **Traded goods** : Lower of cost and net realizable value. Cost includes the purchase price and other associated costs directly incurred in bringing the inventory to its present location.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(iv) Waste and scrap are not separately valued being insignificant in value

H. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(i) **Sale of products:**

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

(ii) **Interest Income**:

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

(iii) **Dividend income**:

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

I. Investments

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

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

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

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

J. Retirement benefits

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

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

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

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

K. Foreign currency translation

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

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

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

L. Income tax

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

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

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

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

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

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

M. Earnings Per Share (EPS)

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

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

N. Operating lease

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

O. Segment reporting

Identification of segments

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

P. Provisions

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

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

Q. Contingent liability

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

R. Expenditure on new projects and substantial expansion

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the indirect construction cost to the extent to which the expenditure is directly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the statement of profit and loss. Income earned during construction period is deducted from the total of the indirect expenditure. All direct capital expenditure on expansion is capitalised. As regards indirect expenditure on expansion, only that portion is capitalised which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalised only if they increase the value of the asset beyond its original standard of performance.

S. Cash and cash equivalents

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

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

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2014

3 SHARE CAPITAL

		As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
Authorised Share Capital			
15,000,000 Equity Shares of Rs. 10/- each		**150,000,000**	150,000,000
	Total	**150,000,000**	150,000,000
Issued, Subscribed and Paidup			
13,004,339 Equity Shares of Rs.10/- each.		**130,043,390**	130,043,390
	Total	**130,043,390**	130,043,390

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

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

3.3 **Reconciliation of Number of Shares Outstanding**

Particulars	As at 31st March, 2014 No. of Shares	As at 31st March, 2013 No. of Shares
Equity Shares at the beginning of the year	**13,004,339**	13,004,339
Add : - Issued during the year	**-**	-
Less :- Shares cancelled during the year	**-**	-
Equity Shares at the end of the year	**13,004,339**	13,004,339

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

Name of the Shareholder	**No. of Shares**	**As at 31st March, 2014 % Held**	No. of Shares	As at 31st March, 2013 % Held
(i) Dr. Jimmy Mirchandani	**3,524,830**	**27.11%**	3,410,955	26.23%
(ii) Dr. Rahul Mirchandani	**2,623,221**	**20.17%**	2,623,221	20.17%
(iii) SBI MF - Magnum Comma Fund	**1,088,944**	**8.37%**	1,100,000	8.46%

4 RESERVES AND SURPLUS

	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
Foreign Currency Translation Reserve	**74,971,067**	41,960,109
	74,971,067	41,960,109
Legal Reserve	**8,471,610**	2,843,880
	8,471,610	2,843,880
Securities Premium Reserve		
As per last Balance Sheet	**490,037,050**	490,037,050
	490,037,050	490,037,050
Revaluation Reserve		
As per last Balance Sheet	**73,715,773**	76,520,206
Less : Depreciation on Revalued assets	**2,804,433**	2,804,433
	70,911,340	73,715,773

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2014

	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
General Reserve	**77,956,310**	67,956,310
As per last Balance Sheet	**10,000,000**	10,000,000
Add : Transfer from Profit & Loss A/c	**87,956,310**	77,956,310
Surplus in the Statement of Profit & Loss	**787,063,624**	671,966,751
As per last Balance Sheet	**159,182,876**	136,098,702
Add:- Profit for the year	**18,979**	25,000
Loss Attributable to Minority Interest	**946,265,480**	808,090,453
Less:- Appropriations	**10,000,000**	10,000,000
Transfer to General Reserve	**26,008,678**	19,506,509
Proposed Dividend on Equity Shares { Dividend Per Share Rs. 2/- (Previous Year Re 1.50) }	**4,420,175**	3,315,131
Dividend Distribution Tax	**40,428,853**	32,821,640
	905,836,627	775,268,813
Total	**1,638,184,003**	1,461,781,934

5 MINORITY INTEREST

	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
Minority Interest - Equity	**180,438,419**	143,948,782
Minority Interest - Non Equity	**108,575,684**	74,480,930
	289,014,104	218,429,712

5.1 Minority Interest as at 31st March, 2014, represents that part of the profit / (Loss) and net asssets of Golden Harvest Middle East FZC to the extent of 375 Shares (25%) and Amarak Chemicals FZC to the extent of 5,000 Shares (25%) held by other parties

5.2 Share of Minority Shareholders in accumulated losses is restricted to the amount of their Equity only.

6 LONG TERM BORROWINGS

	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
Secured Term Loans		
Term Loans from Banks	**63,655,496**	147,213,127
	63,655,496	147,213,127
Un-Secured Term Loans		
Term Loans from Banks	**124,799,357**	16,234,172
	124,799,357	16,234,172
Total	**188,454,853**	163,447,299

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2014

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

		As at 31-3-2014	As at 31-3-2013
(a)	Secured by way of Charge on the Company's Motor Vehicles.	**8,459,911**	7,053,681
(b)	Foreign Currency Term Loan which is secured by way of Equitable Mortgage of Land and Building and personal guarantee of Directors.	**29,855,624**	94,617,696
(c)	Secured by way of Primary Charge on all Fixed Assets at Mouje Rajpur, Gujarat and personal guarantee of Directors.	**25,339,962**	45,541,750
		63,655,496	147,213,127

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

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

Particulars		F Y 2014-15*	F Y 2015-16	F Y 2016-17	F Y 2017-18 and Beyond
(a)	Term Loans from Banks	101,180,988	55,258,296	6,677,908	1,719,286

*** Refer Note No. 11**

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

Particulars		F Y 2014-15*	F Y 2015-16	F Y 2016-17	F Y 2017-18 and Beyond
(a)	Term Loans from Banks	7,591,742	8,554,566	9,639,499	106,605,292

*** Refer Note No. 11**

7 DEFERRED TAX LIABILITY

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Deferred Tax Liability		
Related to Fixed Assets : Impact of difference between income tax depreciation and depreciation charged for the financial reporting.	**65,853,535**	66,134,592
Gross Deferred Tax Liability	**65,853,535**	66,134,592
Deferred Tax Assets		
Disallowance under the Income Tax Act, 1961 U/s 43B	**2,231,300**	2,265,837
Gross Deferred Tax Asset	**2,231,300**	2,265,837
Net Deferred Tax Liability	**63,622,235**	63,868,755

8 LONG TERM PROVISIONS

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Employee Related		
Provision for Gratuity	**5,839,452**	2,859,142
Provision for Leave Salary	**5,445,280**	5,965,690
Total	**11,284,732**	8,824,832

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2014

9 SHORT TERM BORROWINGS

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Secured Borrowings		
Working Capital Facilities from Banks	**871,804,011**	983,514,438
	871,804,011	983,514,438
Un-Secured Borrowings		
Working Capital Facilities from Banks	**365,943,814**	486,776,327
From Related Parties	**30,559,550**	3,478,384
From Others	**86,943,885**	72,255,608
Security Deposits	**127,007,539**	127,765,378
	610,454,788	690,275,698
Total	**1,482,258,799**	1,673,790,136

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

9.2 Working Capital Facilities from Banks includes :

	As at 31-3-2014	As at 31-3-2013
a) Loans repayable on demand	**30,000,000**	85,000,000
b) Cash Credit Facilities	**687,308,593**	588,695,816
c) Buyers Credit	**154,495,418**	238,651,765
d) Short Term Loan	**-**	71,166,858
	871,804,011	983,514,438

9.3 Working Capital Facilities from Banks shown under Un-secured borrowings includes :

	As at 31-3-2014	As at 31-3-2013
a) Loans repayable on demand		
i) Axis Bank	**317,794,890**	287,935,882
ii) HDFC Bank	**48,148,924**	198,840,445
	365,943,814	486,776,327

9.4 Loan from Related parties includes amount payable to Mirabelle Holdings

10 TRADE PAYABLES

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Creditors for Goods	**280,879,527**	241,395,230
Creditors for Expenses	**80,179,304**	71,962,831
Outstanding Expenses	**51,276,506**	35,764,855
Total	**412,335,337**	349,122,917

10.1 There are no Micro and Small Enterprises to whom Company owes dues, which are outstanding for more than 45 days as at 31st March, 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2014

11 OTHER CURRENT LIABILITIES

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Current Maturities of Long Term Debt (Refer Note No. 6.3 & 6.4)	**108,772,730**	62,345,065
Interest Accrued but not due on Borrowings	**4,620,290**	3,237,743
Unclaimed Dividend	**1,976,576**	1,412,568
Unclaimed Share Application Money	**580,840**	580,840
Advance/Credits from Customers	**23,941,534**	62,569,914
Dues to Directors	**34,713,861**	17,962,580
Statutory Dues	**18,169,279**	15,273,741
Other Payables	**2,199,265**	7,301,345
Total	**194,974,374**	170,683,796

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

	As at 31-3-2014	As at 31-3-2013
(a) Secured Term Loans from Banks	**101,180,988**	59,016,823
(b) Secured Term Loans from Companies	**-**	48,048
(c) Un-Secured Term Loans from Banks	**7,591,742**	3,280,194
	108,772,730	62,345,065

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

	As at 31-3-2014	As at 31-3-2013
(a) Secured by way of Charge on the Company's Motor Vehicles.	**6,603,359**	7,403,363
(b) Foreign Currency Term Loan which is secured by way of Equitable Mortgage of Land and Building and personal guarantee of Directors.	**74,577,629**	31,613,460
(c) Secured by way of Primary Charge on all Fixed Assets at Mouje Rajpur, Gujarat and personal guarantee of Directors.	**20,000,000**	20,000,000
	101,180,988	59,016,823

11.3 Un-Secured Term Loans from Banks included in Current Maturities of Long Term Debt to the extent of Rs. 75,91,742/- are secured by way of Charge on personal Assets of Directors and guaranteed by the Directors.

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

11.5 Unclaimed Share Application Money do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

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

11.7 Other Payables includes Book Overdrafts and advance received against sale of KVV.

12 SHORT TERM PROVISIONS

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Employee Related		
Provision for Gratuity	**-**	2,352,037
Provision for Leave Salary	**4,969,874**	3,470,836
Other Provisions		
Proposed Dividend	**26,008,678**	19,506,509
Dividend Distribution Tax	**4,420,175**	3,315,131
Provision for Income Tax (Net of Payments)	**63,653,874**	25,664,870
Provision for Wealth Tax	**375,000**	375,000
Total	**99,427,600**	54,684,382

Note - 13

Consolidated Schedule of Fixed Assets for the year ended 31st March, 2014

Sr No	Particulars	Gross Block					Depreciation Block						Net Block	
		Balance as on 31-Mar-13	Additions during the Period	Deductions During the Period	Adjustment on A/c of Exchange Rate	Balance as on 31-Mar-14	Balance as on 31-Mar-13	Provided during the Period	On Revaluations	Deductions during the Period	Adjustment on A/c of Exchange Rate	Total as on 31 st March 14	Balance as on 31-Mar-14	Balance as on 31-Mar-13
	Tangible Assets													
1	Land	13,456,619	-	-	-	**13,456,619**	-	-	-	-	-	**-**	**13,456,619**	13,456,619
2	Factory Building	547,964,703	1,204,309	-	26,653,990	**575,823,002**	77,961,208	15,454,111	2,804,433	-	3,904,194	**100,123,945**	**475,699,057**	470,003,496
3	Residential Flat	350,000	-	-	-	**350,000**	93,077	5,705	-	-	-	**98,782**	**251,218**	256,923
4	Plant & Machinery	577,150,970	10,145,230	-	53,892,293	**641,188,493**	135,139,936	57,107,166	-	-	14,711,579	**206,958,696**	**434,229,797**	442,011,019
5	Electrical Installations	9,208,364	-	-	-	**9,208,364**	1,691,332	408,267	-	-	-	**2,099,599**	**7,108,765**	7,517,032
6	Laboratory Equipments	2,160,762	-	-	-	**2,160,762**	662,071	93,364	-	-	-	**755,435**	**1,405,327**	1,498,691
7	Office Equipments	7,260,260	356,059	-	243,185	**7,859,504**	3,116,611	611,702	-	-	299,228	**4,027,541**	**3,831,963**	4,143,650
8	Furniture & Fixtures	19,790,460	224,694	-	172,967	**20,188,121**	6,179,083	1,483,696	-	-	(22,222)	**7,640,557**	**12,547,564**	13,611,377
9	Air Conditioners	3,055,696	91,750	-	-	**3,147,446**	1,695,952	145,596	-	-	-	**1,841,548**	**1,305,898**	1,359,744
10	Computer	7,036,903	320,729	-	-	**7,357,632**	5,491,611	760,183	-	-	-	**6,251,794**	**1,105,838**	1,545,292
11	Vehicles	53,921,174	11,554,487	13,245,122	979,817	**53,210,357**	20,327,884	6,399,789	-	5,413,713	404,047	**21,717,993**	**31,492,364**	33,593,305
12	Commercial Vehicles	12,352,918	-	6,895,655	-	**5,457,263**	4,970,864	825,980	-	3,101,597	-	**2,695,247**	**2,762,016**	7,382,054
	Sub - Total	**1,253,708,829**	**23,897,258**	**20,140,777**	**81,942,252**	**1,339,407,562**	**257,329,628**	**83,295,559**	**2,804,433**	**8,515,310**	**19,296,827**	**354,211,136**	**985,196,426**	**996,379,201**
	Previous Year Rs.	1,010,198,971	155,450,503	42,791,868	130,851,224	**1,253,708,829**	180,233,333	77,002,126	2,804,433	17,022,922	14,312,659	**257,329,628**	**996,379,202**	829,965,638
			-	-	-	**-**	-	-	-	-	-	**-**	**-**	-
	Intangible Assets		-	-	-	**-**	-	-	-	-	-	**-**	**-**	-
13	Computer Software	17,648,083	6,405	-	-	**17,654,488**	13,778,812	2,861,384	-	-	-	**16,640,196**	**1,014,292**	3,869,271
	Goodwill	14,539,132	-	-	1,507,713	**16,046,845**	-	-	-	-	-	**-**	**16,046,845**	14,539,132
	Sub - Total	**32,187,215**	**6,405**	**-**	**1,507,713**	**33,701,333**	**13,778,812**	**2,861,384**	**-**	**-**	**-**	**16,640,196**	**17,061,137**	**18,408,403**
	Previous Year Rs.	29,692,096	-	-	2,495,119	**32,187,215**	10,918,054	2,860,758	-	-	-	**13,778,812**	**18,408,403**	18,774,042
			-	-	-	**-**	-	-	-	-	-	**-**	**-**	-
14	Capital Work in Progress	-	-	-	-	**-**	-	-	-	-	-	**-**	**108,500,000**	136,118,332
	Sub - Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**108,500,000**	**136,118,332**
	Previous Year Rs.		-	-	-	**-**	-	-	-	-	-	**-**	**136,118,332**	199,357,553
			-	-	-	**-**	-	-	-	-	-	**-**	**-**	-
	Grand Total	**1,285,896,044**	**23,903,663**	**20,140,777**	**83,449,965**	**1,373,108,895**	**271,108,440**	**86,156,943**	**2,804,433**	**8,515,310**	**19,296,827**	**370,851,332**	**1,110,757,563**	**1,150,905,936**
	Previous Year Rs.	1,039,891,067	155,450,503	42,791,868	133,346,342	**1,285,896,044**	191,151,387	79,862,884	2,804,433	17,022,922	14,312,659	**271,108,440**	**1,150,905,936**	1,048,097,233

13.1 The Gross Block of Fixed Assets includes Rs. 176,000,000/- (Previous Year Rs. 176,000,000/-) on account of revaluation of Building carried out in F Y 1994-95. Consequent to the said revaluation there is an additional charge of depreciation of Rs. 2,804,433/- (Previous Year Rs. 2,804,433/-) and an equivalent amount has been debited to Revaluation Reserve and Credited to Accumulated Depreciation on Buildings. This has no impact on Profit or Loss for the year.

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

13.3 During the year the management has decided not to pursue the project of Africa further due to non viability of project. Hence the Management has decided to write off all the project related expenses which was brought forward in Balance Sheet in current year.

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2014

14 NON-CURRENT INVESTMENTS

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Trade Investments		
In Equity Shares of Foreign Subsidiary Companies - Unquoted, Fully paidup		
(48,000 Equity Shares of AED 25 each) - MAPCO Fertilizers Industries FZC	**19,579,200**	17,739,600
	19,579,200	17,739,600
Other Investments		
In Government Securities - Unquoted		
National Savings Certificate	**17,300**	17,300
(Deposited with BMC for plot at Deonar, Mumbai, For S.S.I. Registration deposited with Industrial Department, Hyderabad)		
	17,300	15,300
Total	**19,596,500**	17,756,900

15 UNAMORTISED EXPENSES

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
(a) As per last Balance Sheet	**784,430**	1,820,706
(b) Less :- 1/5th written off	**784,430**	1,036,276
	-	784,430

16 INVENTORIES

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
(At lower of cost or Net Realisable Value)		
(As Certified and valued by the Management)		
Raw Materials	**601,730,028**	473,592,477
Finished Goods	**564,976,709**	675,523,747
Stock-in-Trade (in respect of Goods aquired for Trading)	**104,791,246**	92,712,714
Packing Materials	**96,097,569**	106,128,322
Total	**1,367,595,552**	1,347,957,260

17 TRADE RECEIVABLES

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
(Unsecured - Considered Good)		
Outstanding for a period exceeding six months	**275,180,875**	241,248,534
Others	**1,042,791,080**	765,184,672
Total	**1,317,971,955**	1,006,433,206

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2014

18 CASH AND CASH EQUIVALENTS

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Balance with Scheduled Banks in Current Accounts	**86,155,009**	79,590,758
Cash on hand	**638,904**	3,234,594
Balance with Scheduled Banks in Fixed Deposit Accounts	**39,757,764**	125,288,268
Total	**126,551,676**	208,113,620

18.1 Balance with Banks includes Unclaimed Dividend of Rs. 19.77 Lacs and Unclaimed Share Application Money of Rs. 5.81 Lacs (Previous Year Unclaimed Dividend Rs. 14.13 Lacs and Unclaimed Share Application Money Rs. 5.81 Lacs).

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

18.3 Fixed Deposits with Banks includes Rs. 2.30 Lacs being the amount of Fixed Deposits for issue of Bank Guarantees on behalf of Subsidiaries / Associates.

19 SHORT TERM LOANS AND ADVANCES

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Loans and Advances to Related Parties (Refer Note No. 29)	**52,187,701**	45,876,180
Balances with Customs, Central Excise, Sales Tax Authorities	**6,534,947**	2,502,063
Deposits	**9,001,428**	12,315,482
Others	**471,812,105**	474,397,074
Tax Refunds		
MAT Credit	**27,590,000**	27,635,000
Total	**567,126,180**	562,725,799

19.1 Other Advances includes:-

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
a) Adavance to Suppliers	**451,963,034**	439,094,962
b) Adavance to Staff against expenses	**975,712**	11,786,631
c) Imprest Advance for Vehicle Expenses	**167,500**	173,209
d) Interest Accrued but not due	**2,120,590**	1,748,719
e) Prepaid Expenses	**16,125,528**	20,319,663
f) Staff Loans	**459,741**	1,273,891
Total	**471,812,105**	474,397,074

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2014

20 REVENUE FROM OPERATIONS :

	Year Ended 31 March 2014 Rupees	Year Ended 31 March 2013 Rupees
Sales of Products		
Manufactured	**1,890,763,138**	1,574,809,305
Traded	**133,532,707**	973,207,973
	3,024,295,844	2,548,017,278
Less:- Excise Duty	**46,622,795**	30,007,317
Total	**2,977,673,049**	2,518,009,960

20.1 Particulars of Sale of Products :

Particulars	Year Ended 31st March, 2014 Rupees		Year Ended 31st March, 2013 Rupees	
Manufactured Products				
(a) Agricultural Mirconutrient and Speciality Fertilizers	**1,198,322,231**		1,244,114,802	
(b) Plant Nutrients	**479,971,879**		202,551,017	
(c) Insecticides and Pesticides	**209,342,255**		124,788,627	
(d) Animal Feed and Feed Concentrates	**3,126,773**		3,354,859	
	1,890,763,138		1,574,809,305	
Less :- Excise Duty	**46,622,795**	**1,844,140,343**	30,007,317	1,544,801,987
Traded Products				
(a) Agricultural Mirconutrient and Speciality Fertilizers	**757,732,678**		645,489,233	
(b) Plant Nutrients	**210,053,292**		203,184,629	
(c) Insecticides and Pesticides	**5,887,433**		81,005,639	
(d) Agri Equipments	**17,039,195**		18,654,220	
(e) Others	**142,820,108**	**1,133,532,707**	24,874,252	973,207,973
Total		**2,977,673,049**		2,518,009,960

21 OTHER INCOME :

	Year Ended 31 March 2014 Rupees	Year Ended 31 March 2013 Rupees
Interest Income on :		
Bank Fixed Deposits	**8,043,229**	7,048,020
Others	**10,693,040**	17,770,589
Other Non-Operating Income		
Misc. / Other Income	**26,118**	746,467
Re-Processing Charges	**265,397**	655,541
Sundry Balance W/off	**205,633**	-
Sales Tax Refund	**-**	72,275
Total	**19,233,417**	26,292,892

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2014

22 CONSUMPTION OF MATERIALS :

		Year Ended 31 March 2014 Rupees	Year Ended 31 March 2013 Rupees
1)	Opening Stock of Raw Materials	**482,212,102**	472,406,862
	Add : Purchases	**694,906,560**	327,952,430
	Sales Return	**37,796**	-
	Equipments Stock Written Off / Scrapped	**197,427**	-
		1,177,353,885	800,359,292
	Less : Closing Stock of Raw Materials	**450,090,337**	468,239,802
	Raw Material Consumed	**727,263,548**	332,119,489
2)	Opening Stock of Traded Products	**228,236,403**	200,599,052
	Add : Purchases	**455,726,622**	729,389,769
		683,963,025	929,988,821
	Less : Closing Stock of Traded Products	**240,314,935**	217,507,462
	Cost of Goods Sold	**443,648,090**	712,481,358
3)	Opening Stock of Packing Materials	**106,376,426**	106,586,769
	Add : Purchases	**125,950,489**	101,234,749
		232,326,916	207,821,518
	Less : Closing Stock of Packing Materials	**95,873,531**	105,977,971
	Packing Materials Consumed	**136,453,385**	101,843,548
	Consumption of Materials (1+2+3)	**1,307,365,023**	1,146,444,395

23 (INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS :

	Year Ended 31 March 2014 Rupees	Year Ended 31 March 2013 Rupees
Inventories at the beginning of the year		
Finished Goods	**547,717,493**	508,382,069
Inventories at the end of the year	**547,717,493**	508,382,069
Finished Goods		
	563,801,725	546,052,222
(Increase) / Decrease in Inventories	**(16,084,232)**	(37,670,153)

24 EMPLOYEE BENEFIT EXPENSES :

	Year Ended 31 March 2014 Rupees	Year Ended 31 March 2013 Rupees
Salary and Wages	**190,208,828**	170,585,216
Directors Remuneration	**35,706,551**	27,552,715
Contribution to Provident & Other Funds	**23,715,010**	19,545,571
Staff Welfare Expenses	**8,183,748**	6,689,584
Total	**257,814,136**	224,373,087

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2014

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

Particulars	As at 31st March, 2014 Rupees	As at 31st March, 2013 Rupees
Defined Contribution Plans		
Contribution to Defined Contribution Plans, recognised as expense for the year is as under :		
Employer's Contribution to Provident Fund	**15,368,290**	12,158,719

All Employees having served from the 1st day of their employment are entitled to the benefits of the contribution to Provident Fund.

The Company contributes specified percentage of the salary paid to Employees to the Defined Fund.

Defined Benefit Plan

All Employees who have completed five years or more of service are entitled to benefits of Gratuity. The Company has the Employee's Gratuity scheme managed by Life Insurance Corporation of India which is a Defined Benefits Plan. The present value of obligation is determined based on actuarial valuation. The obligation for Leave Encashment is recognised in the same manner as Gratuity.

I. Reconciliation of Opening and Closing balances of Defined Benefit Obligation

	Gratuity		Leave Encashment	
	2013-14	2012-13	**2013-14**	2012-13
Defined Benefit obligation at beginning of year	**43,078,325**	40,613,577	**6,982,548**	5,966,144
Current Service Cost	**2,923,737**	2,695,366	**1,153,081**	1,419,190
Interest Cost	**3,446,266**	3,249,086	**558,604**	522,038
Actuarial (gain) / loss	**(19,739)**	1,886,644	**(1,578,845)**	(625,976)
Benefits paid	**(5,013,133)**	(5,366,348)	**(550,810)**	(298,848)
Defined Benefits obligation at year end	**44,415,456**	43,078,325	**6,564,578**	6,982,548

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

	Gratuity	
	2013-14	2012-13
Fair value of plan assets at beginning of the year	**38,408,705**	35,349,900
Expected return on plan assets	**3,258,848**	3,161,476
Actuarial gain / (loss)	**-**	-
Employer Contribution	**4,666,310**	5,263,677
Benefits paid	**(5,013,133)**	(5,366,348)
Fair value of Plan assets at year end	**41,320,730**	38,408,705
Actual return on plan assets	**3,258,848**	3,161,476

III. Reconciliation of fair value of Assets and Obligations

	Gratuity		Leave Encashment	
	2013-14	2012-13	**2013-14**	2012-13
Fair value of plan assets	**41,320,730**	38,408,705	**-**	-
Present value of obligation	**44,415,456**	43,078,325	**6,564,578**	6,982,548
Amount recognised in Balance Sheet	**3,094,726**	4,669,620	**6,564,578**	6,982,548

IV. Expenses recognised during the year

	Gratuity		Leave Encashment	
	2013-14	2012-13	**2013-14**	2012-13
Current Service Ccost	**2,923,737**	2,695,366	**1,153,081**	1,419,190
Interest Cost	**3,446,266**	3,249,086	**558,604**	522,038
Expected return on Plant assets	**(3,258,848)**	(3,161,476)	**-**	-
Actuarial (gain) / loss	**(19,739)**	1,886,644	**(1,578,845)**	(625,976)
Net Cost	**3,091,416**	4,669,620	**132,840**	1,315,252

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2014

V. Investment details :

	% Invested	
	2013-14	2012-13
Insurance Policies	**100.00**	100.00
	100.00	100.00

VI. Actuarial assumptions :

	Gratuity		Leave Encashment	
	2013-14	**2012-13**	**2013-14**	**2012-13**
Mortality Table (LIC)	**2006-08 (Ultimate)**	**1994-96 (Ultimate)**	**2006-08 (Ultimate)**	1994-96 (Ultimate)
Discount rate (per annum)	**8%**	**8%**	**9.25%**	8.00%
Expected rate of return on plan assets (per annum)	**8%**	**8%**		
Rate of escalation in salary (per annum)	**5%**	**5%**	**7.00%**	7.00%

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

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

25 FINANCE COSTS :

	Year Ended 31 March 2014 Rupees	Year Ended 31 March 2013 Rupees
Interest Expense	**221,429,565**	180,643,453
Other Borrowing Costs	**31,286,526**	32,142,337
Net Gain / Loss on Foreign Currency Transaction and Translation	**30,939,769**	26,377,308
Total	**283,655,860**	239,163,098

26 OTHER EXPENSES :

	Year Ended 31 March 2014 Rupees	Year Ended 31 March 2013 Rupees
Manufacturing Expenses		
Consumption of Stores & Spare Parts	**994,055**	690,418
Power & Fuel	**41,545,568**	24,799,713
Rent, Rates & Taxes	**26,752,523**	34,045,637
Repairs to Building	**1,197,751**	3,804,413
Repairs to Machinery	**11,842,427**	4,085,055
Miscellaneous Expenses	**142,628,537**	124,744,756
	224,960,862	192,169,992
Selling & Distribution Expenses		
Advertisement & Publicity	**97,758,169**	69,154,033
Discount and Rebate	**192,626,396**	141,049,070
Freight & Delivery Expenses	**111,572,738**	93,061,271
Mobile Selling Expenses	**1,238,511**	8,837,491
Selling Expenses	**10,100,483**	12,005,918
Travelling Expenses	**63,773,820**	56,675,978
	477,070,117	380,783,760

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2014

	Year Ended 31 March 2014 Rupees	Year Ended 31 March 2013 Rupees
Other Administration Expenses		
Audit Fees	**2,274,577**	1,741,580
Conveyance & Motor Car Expenses	**27,345,244**	22,987,921
Electricity	**1,011,590**	1,119,823
General Expenses	**9,398,547**	8,200,363
Insurance	**5,928,003**	6,549,292
Legal & Professional Fees	**14,008,961**	10,601,877
Loss on Sale of Asset	**4,963,112**	10,072,484
Postage & Telephones	**10,620,352**	10,132,074
Printing & Stationery	**5,512,698**	6,379,591
Rent, Rates & Taxes	**38,151,827**	34,824,516
Repairs & Maintenance	**2,729,019**	3,004,407
Bank Charges	**5,730**	4,972
	121,949,661	115,618,900
Total	**823,980,641**	688,572,652

26.1 Payment to Auditors as :

Particulars	Year Ended 31 March 2014 Rupees	Year Ended 31 March 2013 Rupees
(a) Statutory Audit Fees	**2,274,577**	1,741,580
(b) Tax Audit Fees	**168,540**	185,394
(c) Taxation Matters	**134,832**	162,922
(d) Certification and Consultancy Fees	**157,304**	287,066
Total	**2,735,253**	2,376,962

27 EARNINGS PER SHARE (EPS) :

	Year Ended 31 March 2014 Rupees	Year Ended 31 March 2013 Rupees
(i) Net Profit After Tax (PAT) as per Statement of Profit and Loss attributable to Equity Shareholders	**159,182,876**	136,098,702
(ii) Weighted Average number of Equity Shares used as denominator for calculating EPS	**13,004,339**	13,004,339
(iii) Basic & Diluted Earnings per Share (Rs.)	**12.24**	10.47
(iv) Face Value per Equity Share (Rs.)	**10**	10

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2014

28.1 The Company's significant leasing arrangements are in respect of Operating Leases for Vehicles. These leasing arrangements which are not non-cancellable range upto 36 months and are renewable by mutual consent on mutually agreeable terms. The aggregate Lease Rentals payable are charged as "RENT" in Other Administrative Expenses under Note 26.

Particulars	**Total Minimum Lease Payments outstanding as at 31st March, 2014 Rupees**	Total Minimum Lease Payments outstanding as at 31st March, 2013 Rupees
(a) Within One year	**9,330,647**	15,795,012
(b) Later than One year and not later than Five years	**1,939,976**	11,347,431
	11,270,623	27,142,444
The above lease rentals are inclusive of VAT, Insurance and Other Charges		

28.2 Lease payments recognised in the statement of Profit and Loss :

Particulars	**Year Ended 31 March 2014 Rupees**	Year Ended 31 March 2013 Rupees
(a) Minimum Lease Payments (Inclusive of VAT, Insurance and Other Charges)	**20,184,317**	15,786,702

28.3 General description of Lease terms :

(a) Lease Rentals are charged on the basis of agreed terms.

(b) Assets are taken on Lease for a period of 36 months.

29 RELATED PARTY DISCLOSURES

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

Part - A

Details of Related Parties as per AS - 18

Sr. No.	**Nature of Relationship**	**Name of the Related Party**	**Remarks**	
1	Enterprises over which the Key Management Persons has significant Influence of Control	a) Aries Marketing Ltd.		
		b) Blossoms International Ltd.		
		c) Sreeni Agro Chemicals Ltd.		
		d) Aries East West Nutrients Pvt. Ltd.		
		e) Mruga Corporate Services Ltd.		
2	Key Management Personnel	a) Dr. Jimmy Mirchandani	a) Chairman & Managing Director	
		b) Dr. Rahul Mirchandani	b) Executive Director	
		c) Mr. Akshay Mirchandani	c) Director	
3	Relatives of Key Management Personnel	**Name of the Key Management Personnel**	**Name of the Relative**	**Relationship**
		a) Dr. Jimmy Mirchandani	a) Late Mrs. Sarasa Mirchandani	Spouse
			b) Mr. Akshay Mirchandani	Son
			c) Mr. Amol Mirchandani	Son
			d) Dr. Rahul Mirchandani	Brother
		b) Dr. Rahul Mirchandani	a) Mrs. Nitya Mirchandani	Spouse
			b) Mastar Armaan Mirchandani	Son
			c) Dr. Jimmy Mirchandani	Brother
		c) Mr. Akshay Mirchandani	a) Mrs. Aparna Mirchandani	Spouse
			b) Dr. Jimmy Mirchandani	Father
			c Late Mrs. Sarasa Mirchandani	Mother
			d) Mr. Amol Mirchandani	Brother

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2014

Part - B

Details of Transactions with Related Parties

Sr. No.	Category	Nature of Service	Year Ended 31 March 2014 Rupees	Year Ended 31 March 2013 Rupees
1	Enterprises over which Key Management Personnel has significant influence or control	Finance - Loans / Payments Given	**125,596**	37,921
		Legal & Professional Fees	**146,068**	37,921
2	Key Management Personnel	Finance - Loans / Payments Given	**4,145,445**	18,000,000
		Finance - Loans / Payments Received	**31,800,000**	18,000,000
		Directors Remuneration Paid	**19,603,204**	14,603,204

Part - C

Balance Outstanding with Related Parties

Category	Nature of Outstanding	Name of the Party	Year Ended 31 March 2014 Rupees	Year Ended 31 March 2013 Rupees
Enterprises over which Key Management Personnel has significant influence or control	Creditors for expenses	Mruga Corporate Services Ltd.	**20,472**	-
Key Management Personnel	Dues to Directors	Dr. Jimmy Mirchandani	**7,692,527**	2,892,527
		Dr. Rahul Mirchandani	**14,553,390**	9,747,153

30. Description of the group

The group's subsidiaries are set as below:

ENTITY	% HOLDING	Country
Aries Agro Care Pvt. Ltd.	100%	India
Aries Agro Equipments Pvt. Ltd.	100%	India
Aries Agro Produce Pvt. Ltd.	75%	India
Golden Harvest Middle East FZC	The Company having remitted contribution of 1,12,500 AED towards Equity they have been classified under Equity and the balance 1,67,65,500 AED is presently categorized under Shareholders Current Account.	UAE
Amarak Chemicals FZC	Golden Harvest Middle East FZC (Subsidiary Company of Aries Agro Limited) having remitted contribution of 22,50,000 AED towards Equity they have been classified under Equity and the balance 2,78,49,627 AED is presently categorized under Share Application Money.	UAE

31. 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.

32. Gratuity

<u>UAE Operations:</u>

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

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2014

33. Contingent liability not provided for in the accounts:

a) Letters of credit / guarantees given to Banks Rs. 4,464.20 Lacs.

b) Bills discounting with Banks Rs. 1,000/- Lacs.

c) Claims against company not acknowledged as debts Rs. 87.13 Lacs which includes tax dues disputed as Rs. 2.68 Lacs towards sales Tax, Rs. 54.56 Lacs towards Income Tax and includes Rs. 29.88 Lacs pertaining to pending suits regarding quality issue.

d) The Commissioners of Central Excise, Mumbai and Hyderabad had issued Show Cause-Cum-Demand Notices for levy of Excise Duty on clearances of Micronutrients. The Commissioner of Central Excise, Mumbai, vide his Order dated 27th November, 2006 and Commissioner of Central Excise, Hyderabad, vide his Order dated 30th November 2005 had cancelled these demands in respect of clearance upto June, 2006. The Department has preferred appeals against the said orders. The Department has 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.

34. **Segmental Reporting as per Accounting Standard - 17**

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

35. There is no reasonable certainty of future prospect of the company for profit earning hence deferred tax is no provided in the books of accounts.

36. 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 Firm Registration No. 115133W Chartered Accountants	**Dr. Jimmy Mirchandani** Chairman & Managing Director	**Prof R S S Mani** Director	**Mr. S. Ramamurthy** Chief Financial Officer
Kirti D Shah Proprietor Membership No 32371	**Dr. Rahul Mirchandani** Executive Director	**Mr. C. B. Chhaya** Director	**Mr. Qaiser P. Ansari** Company Secretary
	Mrs. Nitya Mirchandani Additional Director	**Mr. B. V. Dholakia** Director	

Place : Mumbai.
Date : 30th May, 2014

INDEPENDENT AUDITOR'S REPORT

Report on the financial statements

We have audited the financial statements of **Golden Harvest Middle East FZC** (the Company), which comprise the balance sheet as at 31 March 2014, the income statement, statement of changes in Shareholders' funds and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstance.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

Auditors' responsibility (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditors considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Golden Harvest Middle East FZC, as of 31 March 2014 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other Matters

The financial statements of Golden Harvest Middle East FZC for the year ended 31st March, 2013 were audited by another auditor whose audit report dated 30th April, 2013 expressed an un-qualified opinion on those financial statements.

Prasad Associates
Chartered Accountants

Date: 19th May, 2014
Place: Sharjah

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2014

	Notes	2014 AED	2013 AED
ASSETS			
Non-current assets			
Property, plant and equipment	3	**5,838,375**	6,712,530
Investment in subsidiaries/associates	4	**3,450,000**	3,450,000
		9,288,375	10,162,530
Current assets			
Inventories	5	**4,824,111**	4,927,095
Trade receivables	6	**12,265,312**	3,996,563
Prepayments and other receivables	7	**148,968**	2,802,804
Amounts due from related parties	8	**24,829,880**	27,244,464
Advance towards share application money	9	**27,849,627**	27,849,627
Cash and bank balances	10	**22,361**	92,334
Total current assets		**69,940,259**	66,912,887
TOTAL ASSETS		**79,228,634**	77,075,417
SHAREHOLDERS' FUNDS AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	11	**150,000**	150,000
Shareholders' current accounts	12	**19,791,000**	18,748,000
Retained earnings		**19,955,756**	18,082,166
Reserve fund	13	**75,000**	75,000
Total shareholders' funds		**39,971,756**	37,055,166
Non Current liabilities			
Provision for employees' terminal benefits	14	**188,714**	94,643
Term loans - non current portion	15	**5,925**	31,705
Total non - current liabilities		**194,639**	126,348
Current liabilities			
Trade payables and accruals	16	**5,734,850**	8,449,879
Short term loans	17	**22,428,525**	22,781,325
Amounts due to related parties	8	**10,889,156**	8,585,335
Term loans - current portion	15	**9,708**	77,364
Total current liabilities		**39,062,239**	39,893,903
Total liabilities		**39,256,878**	40,020,251
TOTAL SHAREHOLDERS' FUNDS AND LIABILITIES		**79,228,634**	77,075,417

For Golden Harvest Middle East FZC
Director

Place: Sharjah
Date : 19 May 2014

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2014

	Notes	**2014 AED**	2013 AED
INCOME			
Sales	18	**21,394,692**	24,435,316
Cost of sales	19	**(15,993,126)**	(19,562,919)
GROSS PROFIT		**5,401,566**	4,872,397
Other Income	20	**10,811**	85,777
TOTAL INCOME		**5,412,377**	4,958,174
EXPENSES			
Administration, selling and general expenses	21	**1,908,115**	1,240,285
Finance charges	22	**819,512**	866,863
Depreciation	3	**811,160**	722,803
		3,538,787	2,829,951
Net profit for the year		**1,873,590**	2,128,223

For Golden Harvest Middle East FZC
Director

Place: Sharjah
Date : 19 May 2014

STATEMENT OF CHANGES IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 31 MARCH 2014

Year to 31 March 2014	**Share capital AED**	**Shareholders' current accounts AED**	**Retained earnings AED**	**Reserve fund AED**	**Total AED**
Balance at 1 April 2013	150,000	18,748,000	18,082,166	75,000	37,055,166
Net profit for the year	-	-	1,873,590	-	1,873,590
Net movements in current accounts	-	1,043,000	-	-	1,043,000
Balance at 31 March 2014	**150,000**	**19,791,000**	**19,955,756**	**75,000**	**39,971,756**
Year to 31 March 2013	**Share capital AED**	**Shareholders' current accounts AED**	**Retained earnings AED**	**Reserve fund AED**	**Total AED**
Balance at 1 April 2012	150,000	18,748,000	15,953,943	75,000	34,926,943
Net profit for the year	-	-	2,128,223	-	2,128,223
Balance at 31 March 2013	**150,000**	**18,748,000**	**18,082,166**	**75,000**	**37,055,166**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

	2014 AED	2013 AED
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the year	**1,873,590**	2,128,223
Adjustment for:		
Depreciation	**811,160**	722,803
Provision for employees' terminal benefits	**94,071**	17,372
(Profit) on sale of property, plant and equipment	**(8,791)**	(34,592)
Operating profit before working capital changes	**2,770,030**	2,833,806
Decrease in inventories	**102,984**	1,399,858
(Increase)/decrease in accounts receivable	**(8,268,749)**	6,413,684
Decrease/(increase) in prepayments and other receivables	**2,653,836**	(2,627,040)
Decrease/(increase) in amounts due from related party	**2,414,584**	(5,748,787)
(Decrease)/increase in accounts payable and accruals	**(2,715,029)**	2,833,523
Increase/(decrease) in amounts due to related party	**2,303,821**	(6,203,694)
Net cash (used in) operating activities	**(738,523)**	(1,098,650)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(48,503)**	(2,161,724)
Proceeds from sale of property, plant and equipment	**120,289**	55,050
Net cash from/(used in) investing activities	**71,786**	(2,106,674)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movement in current accounts	**1,043,000**	-
(Decrease) in term loans	**(93,436)**	(47,598)
(Decrease)/increase in short term loans	**(352,800)**	3,303,825
Net cash from financing activities	**596,764**	3,256,227
Net (decrease)/increase in cash and cash equivalents	**(69,973)**	50,903
Cash and cash equivalents at beginning of the year	**92,334**	41,431
Cash and cash equivalents at end of the year	**22,361**	92,334

Notes to the Financial Statements for the year ended 31 March 2014

1. LEGAL STATUS AND ACTIVITY

Legal status: Golden Harvest Middle East (FZC) (the "Company") is a Free Zone Company with limited liability incorporated and licensed at Sharjah Airport International Free (SAIF) Zone, Sharjah pursuant to Sharjah Emiri Decree No 2 of 1995.

The Company is operating under Industrial License No. 03146 issued on 12 July 2005 by SAIF Zone Authorities.

Activity: The principal activity of the Company is manufacturing organic and chemical fertilizers. The principal place of the business of the Company is located at P3-04, Sharjah Airport International Free Zone, Sharjah, United Arab Emirates.

These separate financial statements relates to the operations of Golden Harvest Middle East (FZC) and do not include the results of operations of its subsidiary Company M/s Amarak Chemicals FZC, Fujairah, United Arab Emirates.

Management: As per license issued by SAIF Zone Authorities, Mr. Chalakudi Subramani Shankaranarayan and Mr. Akshay Mirchandani, Indian nationals are appointed as Managers of the Company.

Accounting period: These financial statements relate to the period from 1 April 2013 till 31 March 2014.

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 principal accounting policies applied in the preparation of the financial statements are set out below. These policies 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 property, plant and equipment as described in note 3 to the financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.4 to the financial statements.

2.2 Changes in accounting policy and disclosures

New and amended standards adopted by the company

The following standards have been adopted by the Company for the financial year beginning on or after 1 January 2013. The management believes that the adoption of the amendments have not had any material impact on the presentation and disclosure of items in the financial statements for the current period.

Amendment to IAS 1:Financial Statement Presentation improves the consistency and clarity of the presentation of items of other comprehensive income (OCI). The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).

IAS 19:Employee benefits was revised in June 2011. The changes on the Company's accounting policies has been as follows: to immediately recognize all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset).

Amendments to IFRS 7: Financial Instruments: Disclosures on asset and liability offsetting issued in October 2010 helps the users of financial statements evaluate the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position and promotes transparency in the reporting of transfer transactions, particularly those that involve securitization of financial assets.

IFRS 10: Consolidated financial statements builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be include within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

IFRS 11: Joint arrangements focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its shares of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted.

IFRS 12: Disclosures of interests in other entities includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles.

IFRS 13: Fair value measurement aims to improve consistency and reduce complexity by providing a precise definition of fair value and single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

Amendments to IAS 36: Impairment of assets on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of Cash Generating Units (CGU's) which had been included in IAS 36 by the issue of IFRS 13. The amendment is not mandatory for the Company until 1 January 2014.

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these financial statement. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out below:

IFRS 9: Financial Instruments is effective for accounting periods beginning on or after 1 January 2015. The standard was issued in November 2009, which was added to in October 2010 and further amended in December 2011 amending the effective

Notes to the Financial Statements for the year ended 31 March 2014

date from 1 January 2013 to 1 January 2015. Currently, IFRS 9 outlines the recognition and measurement of financial assets, financial liabilities and the derecognition criteria for financial assets. Financial assets are to be measured either at amortized cost or fair value through profit and loss, with an irrevocable option on initial recognition to recognize some equity financial assets at fair value through other comprehensive income. A financial asset can only be measured at amortized cost if the entity has a business model to hold the asset to collect contractual cash flows and the cash flows arise on specific dates and are solely for payment of principal and interest on the principal outstanding.

The management believes the adoption of the above amendments is not likely to have any material impact on the presentation and disclosure of items in the financial statements for future periods.

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) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

d) Employees' terminal benefits

Termination benefits are paid to employees' when employment is terminated by the Company before the normal retirement date or whenever an employee accepts voluntary retirement in exchange for these benefits.

Provision is made for employees' terminal benefits on the basis prescribed under the U.A.E Labour Law based on employees' salaries and number of years of service. The terminal benefits are paid to employees on termination or completion of their term of employment.

e) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average basis. Cost of inventories comprises of costs of purchase, and where applicable cost of conversion and other costs that has been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

f) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Accounts payable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

g) Cash and cash equivalents

Cash and cash equivalents comprise short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

h) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied stated net of discounts, returns etc.

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

(i) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

(ii) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

(iii) the amount of revenue can be measured reliably;

(iv) it is probable that the economic benefits associated with the transaction will flow to the Company; and

(v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

i) Foreign currencies

Functional and presentation currency

The financial statements are presented in UAE Dirham (AED), which is the Company's functional and presentation currency.

Transaction and balances

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the income statement.

Notes to the Financial Statements for the year ended 31 March 2014

j) Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade receivables originated by the Company are measured at cost. An allowance for credit losses of trade receivable is established when there is objective evidence that the Company will not be able to collect the amounts due. Indicators that the trade receivable are impaired include consistent default in the payments when due, financial difficulties of the customer and other indicators. When a trade receivable is considered uncollectible, it is written off against the allowance account for credit losses. Subsequent recoveries of amounts previously written off are credited in the statement of income. The carrying value of trade receivable approximate to their fair value due to the short term nature of those receivables.

k) Finance charges

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

l) Financial instruments

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

m) Impairment

Financial assets

At each balance sheet date, the Company assesses if there is any objective evidence indicating impairment of financial assets or non-collectability of receivables.

An impairment loss, if any, arrived at as a difference between the carrying amount and the recoverable amount, is recognized in the statement of income. The recoverable amount represents the present value of expected future cash flows discounted at original effective interest rate. Cash flows relating to short term receivables are not discounted.

Non-financial assets

At each balance sheet date, the Company assesses if there is any indication of impairment of non-financial assets. If an indication exists, the Company estimates the recoverable amount of the asset and recognizes an impairment loss in the statement of income. The Company also assesses if there is any indication that an impairment loss recognized in prior years no longer exists or has reduced. The resultant impairment loss or reversals are recognized immediately in the statement of income.

n) Financial liabilities

All financial liabilities are initially measured at cost and are subsequently measured at amortized cost. The effective interest method is a method of calculating the amortized cost of a financial liability and allocating interest expense over the relevant period.

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired.

o) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from the past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

Contingent liabilities are not recognized but are disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognized as provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When an inflow is virtually certain, an asset is recognized.

2.4 Significant accounting estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revisions affect both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Impairment of trade receivables and amounts due from related parties

An estimate of the collectible amount of trade accounts receivable and related parties is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and an allowance applied according to the length of time past due, based on historical recovery rates. Any difference between the amounts actually collected in future periods and the amounts expected to be collected will be recognized in the income statement.

3. PROPERTY, PLANT AND EQUIPMENT

Movement in property, plant and equipment are given on page number 23.

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 associate company mentioned in (i) below in accordance with the terms and conditions of the Memorandum and Articles of Associations of the associate company. The associate company is in the process of setting up a manufacturing facility and has not commenced commercial operations till date.

At the balance sheet date, the investment in associate amounting to AED 1,200,000 has not been reflected in the statutory records of the associate Company maintained by the Hamriyah Free Zone Authority.

The Company had also invested in a subsidiary Company mentioned in (ii) below.

				Value	
	Name of associate/ subsidiary	Activity	Percentage of holding	2014 AED	2013 AED
(i)	Mapco Fertilizer Industries FZC, Hamriyah Free Zone, Sharjah (25 shares of AED 48,000)	Manufacture of chemical fertilizers	25%	**1,200,000**	1,200,000
(ii)	Amarak Chemicals FZC, Fujairah Free Zone, Fujairah (15,000 shares of AED 150)	Manufacture of chemical fertilizers	75%	**2,250,000**	2,250,000
				3,450,000	3,450,000

5 INVENTORIES

	2014 AED	2013 AED
Raw materials	**3,484,768**	4,644,259
Finished goods	**1,282,221**	242,614
Packing materials	**57,122**	40,222
	4,824,111	4,927,095

6 TRADE RECEIVABLES

	2014 AED	2013 AED
Trade receivables	**12,265,312**	3,996,563
	12,265,312	3,996,563

(i) At 31 March 2014, 97% of the net trade receivables (2013 – 99%) are due from 4 customers (2013 – 3 customers).

(ii) In the opinion of the management, the receivables are considered good and fully recoverable.

(iii) The aging analysis of the trade receivables are as follows:

	2014 AED	2013 AED
Due for less than 6 months	**12,265,312**	3,996,563
Due for more than 6 months	**-**	-
	12,265,312	3,996,563

7. PREPAYMENTS AND OTHER RECEIVABLES

PREPAYMENTS AND OTHER RECEIVABLES	2014 AED	2013 AED
Prepayments	**102,262**	102,855
Deposits	**41,700**	44,500
Loans and advances	**5,006**	17,718
Advance paid to suppliers	**-**	2,637,731
	148,968	2,802,804

8. RELATED PARTY BALANCES

The Company has in the ordinary course of business, entered into trading, financial and service transactions with concerns in which the shareholders' /directors'/manager of the Company or their relatives have an investing / controlling interest.

The prices and terms of these transactions were approved by the management and considered comparable to those charged by third parties. The amounts outstanding from/to related parties are unsecured, which do not attract interest and are payable on demand. No expense has been recognized in the period for bad or doubtful debts in respect of the amounts owed by related parties.

At the end of the reporting period, amounts due from/to related parties were as follows:-

RELATED PARTY TRANSACTIONS		
Amount due from related parties	**2014 AED**	2013 AED
MAPCO Fertilizers	**3,198,560**	3,103,307
Amarak Chemicals FZC, Fujairah	**20,027,883**	24,141,157
Aries Agro Limited, Mumbai	**1,603,437**	-
	24,829,880	27,244,464

The amount due from MAPCO Fertilizers FZC amounting to AED 3,198,560 is subject to confirmation/reconciliation.

Amount due to related parties	2014 AED	2013 AED
Aries Agro Limited	**10,711,184**	8,364,921
Mirabelle Holdings	**177,972**	220,414
	10,889,156	8,585,335

The Company entered into the following transactions with related parties.

	2014 AED	2013 AED
Sales	**7,258,493**	5,900,401
Purchases	**15,090,300**	1,467,447

Key management compensation (including Director's emoluments)		
	2014 AED	2013 AED
Director's remuneration	**522,000**	486,000
	522,000	486,000

9. ADVANCE TOWARDS SHARE APPLICATION MONEY

This represents amount paid to the subsidiary Company, Amarak Chemicals FZC, Fujairah Free Zone towards advance for allotment of shares.

10. CASH AND BANK BALANCES

	2014 AED	2013 AED
Cash in hand	**4,204**	1,733
Current account with bank	**18,157**	90,601
	22,361	92,334

11. SHARE CAPITAL

	2014 AED	2013 AED
Authorised, issued and paid-up capital	**150,000**	150,000
(1,500 of shares AED 100 each)		
	150,000	150,000

12. SHAREHOLDERS' CURRENT ACCOUNTS

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

13. RESERVE FUND

This represents reserve created out of profit of the Company in accordance with the provisions of Memorandum and Articles of Association of the Company.

14. PROVISION FOR EMPLOYEES' TERMINAL BENEFITS

The provision for end of service benefits for employees is made in accordance with the requirements of the U.A.E. Labour Laws. This is an unfunded defined benefits retirement plan. Employees are entitled to benefits based on length of service and final remuneration. Accrued employees' terminal benefits are payable on termination of employment. The cost of providing these benefits is charged as an expense on an annual basis and the charge for the year ended 31 March 2014 amounted to AED 101,992 (2013 - AED 21,238).

15. TERM LOANS

	2014 AED	2013 AED
Motor vehicle loans	**15,633**	109,069
	15,633	109,069

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

	2014 AED	2013 AED
Current portion	**9,708**	77,364
Non - current portion	**5,925**	31,705

16. TRADE PAYABLES AND ACCRUALS

	2014 AED	2013 AED
Trade payables	**2,955,448**	566,832
Accued expenses	**758,152**	337,537
advance received from customers	**-**	5,524,260
Other payables	**2,021,250**	,021,250
	5,734,850	8,449,879

17. SHORT TERM LOANS

This represents short term loan taken during the year from a financial institution which bears interest at 4.24% per annum. This loan will be repaid with in 12 months from the balance sheet date. The above loan is secured by corporate guarantee of M/s Aries Agro Ltd, Mumbai, the shareholder of the Company.

18. SALES

	2014 AED	2013 AED
Trading	**13,985,212**	18,824,510
Manufacturing	**7,409,480**	5,610,806
	21,394,692	24,435,316

19. COST OF SALES

	2014 AED	2013 AED
Opening inventories	**4,927,095**	6,326,953
Purchases	**15,262,599**	17,507,223
Direct expenses	**627,544**	655,838
Less : Closing inventories	**(4,824,112)**	(4,927,095)
	15,993,126	19,562,919

20. OTHER INCOME

	2014 AED	2013 AED
Other income	**2,020**	51,185
Profit on sales of property, plant and equipment	**8,791**	34,592
	10,811	85,777

21. ADMINISTRATION EXPENSES

	2014 AED	2013 AED
Salaries and benefits	**857,803**	626,221
Rent expenses	**184,300**	187,249
Communication expenses	**36,726**	44,035
Legal and professional charges	**81,141**	36,273
Repairs and maintenance	**2,850**	71,852
Travelling and conveyance	**11,565**	8,313
Printing and stationery	**6,252**	10,557
Insurance charges	**25,785**	28,249
Other expenses	**689,693**	200,940
advertisement and business promotion expenses	**12,000**	26,596
	1,908,115	1,240,285

22. FINANCE CHARGES

	2014 AED	2013 AED
Bank charges	**16,985**	14,540
Loss on currency exchange fluctuation	**-**	5,237
Interest charges	**802,527**	847,086
	819,512	866,863

23. FINANCIAL RISK AND CAPITAL MANAGEMENT

23.1 Financial risk factors

Financial assets of the Company include cash, bank balances, trade receivables, deposits, advances and amount due from related parties. Financial liabilities include amounts due to related party, trade payables, short term loans and accruals.

The management believes that the fair values of the financial assets and liabilities approximate to their carrying amounts.

The Company's financial risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects of the financial performance. Under the Company's risk management programme, management identifies and documents key risks and sets out policies and procedures required to mitigate these risks. The identified key risks are:

a) **Currency risk**

The majority of the Company's financial assets and financial liabilities are either denominated in local currency (AED) or currencies fixed to the AED. Hence the management believes that there would not be a material impact on the profitability if these foreign currencies weakens or strengthens against the AED with all over variables held constant.

b) **Credit risk**

The Company is potentially exposed to concentration of credit risk from its financial assets which comprise principally bank balances and trade receivables. The Company's bank accounts are placed with high credit quality financial institutions. The credit risk on trade receivables is subjected to credit evaluations and an allowance has been made for estimated irrecoverable amounts. The amounts presented in the balance sheet are net of allowances for doubtful receivables.

The Company is not exposed to any significant concentration of credit risk because its exposure is spread over financial institutions and a large number of customers.

c) **Liquidity risk**

The Company manages its liquidity risk by ensuring it has sufficient liquid cash balances to meet its payment obligations as they fall due.

23.2 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.

24. CAPITAL COMMITMENTS

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known capital commitment on Company's financial statements as of reporting date.

25. CONTINGENT LIABILITIES

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability on Company's financial statements as of reporting date.

26. SEGMENT REPORTING

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

	2014 AED	2013 AED
United Arab Emirates	**-**	9,135
Other countries :		
Srilanka	**150,987**	-
India	**7,258,493**	5,882,132
Kenya	**7,359,188**	7,519,969
Oman	**6,626,025**	3,996,562
Egypt	**-**	6,964,125
Bangladesh	**-**	63,393
	21,394,692	24,435,316

27. COMPARATIVE FIGURES

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

However such reclassification do not have impact on the previously reported profit or equity.

28. LEVEL OF PRECISION

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

29. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the shareholders and authorized for issue on 19 May 2014.

Notes to the Financial Statements for the year ended 31 March 2014

3 PROPERTY, PLANT AND EQUIPMENT

	Building	Machineries	Equipments	Office furniture	Motor vehicles	Total
	AED	AED	AED	AED	AED	AED
Cost:						
at 1 April 2013	2,695,473	6,343,373	65,995	54,752	266,801	9,426,394
additions during the year	-	41,864	6,639	-		48,503
disposals during the year	-	-	-	-	(233,301)	(233,301)
at 31 March 2014	2,695,473	6,385,237	72,634	54,752	33,500	9,241,596
Depreciation:						
at 1 April 2013	590,553	1,912,923	46,154	51,666	112,568	2,713,864
charge for the year	134,772	637,603	12,742	3,086	22,957	811,160
on disposals	-	-	-	-	(121,803)	(121,803)
at 31 March 2014	725,325	2,550,526	58,896	54,752	13,722	3,403,221
Net book values:						
at 31 March 2014	**1,970,148**	**3,834,711**	**13,738**	**-**	**19,778**	**5,838,375**
at 31 March 2013	**2,104,920**	**4,430,450**	**19,841**	**3,086**	**154,233**	**6,712,530**

INDEPENDENT AUDITOR'S REPORT

The Shareholders'
Amarak Chemicals FZC
Fujairah Free Zone,
Fujairah- United Arab Emirates

Report on the financial statements

We have audited the financial statements of Amarak Chemicals FZC, (the Company), which comprise the balance sheet as at 31 March 2014 the income statement, statement of changes in Shareholders' funds and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstance.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditors considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Amarak Chemicals FZC as of 31 March 2014 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other Matters

The financial statements of Amarak Chemicals FZC for the year ended 31st March, 2013 were audited by another auditor whose audit report dated 30th April, 2013 expressed an un-qualified opinion on those financial statements.

Prasad Associates
Chartered Accountants

Date: 19th May, 2014
Place: Dubai

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014

	Notes	2014 AED	2013 AED
ASSETS			
Non-current assets			
Property, plant and equipment	3	**33,220,128**	35,958,126
Total non-current assets		**33,220,128**	35,958,126
Current assets			
Inventories	4	**18,026,541**	16,988,519
Trade receivables	5	**10,852,481**	8,541,561
Deposits, advances and prepayments	6	**10,355,325**	7,615,925
Cash and bank balances	7	**99,628**	252,006
Total current assets		**39,333,975**	33,398,011
TOTAL ASSETS		**72,554,103**	69,356,137
SHAREHOLDERS' FUNDS AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	8	**3,000,000**	3,000,000
Shareholders' current accounts	9	**7,244,454**	6,967,454
Legal reserve	10	**444,221**	181,500
Retained earnings		**2,761,538**	397,050
Total shareholders' equity		**13,450,213**	10,546,004
Share application money	11	**27,849,627**	27,849,627
Total shareholders' funds		**41,299,840**	38,395,631
Non Current liabilities			
Provision for employees' terminal benefits	12	**169,183**	98,764
Term loans - non current portion	13	**182,487**	130,463
Total non -current liabilities		**351,670**	229,227
Current liabilities			
Trade payables and accruals	14	**10,031,273**	6,440,182
Amounts due to related parties	15	**20,623,360**	24,141,157
Term loans - current portion	13	**247,960**	149,940
Total current liabilities		**30,902,593**	30,731,279
Total liabilities		**31,254,263**	30,960,506
TOTAL SHAREHOLDERS' FUNDS AND LIABILITIES		**72,554,103**	69,356,137

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making judgements underlying them.

For Amarak Chemicals FZC

Director

Place : Fujairah

Date : 19 May 2014

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014 AED	2013 AED
INCOME			
Sales	16	**30,598,997**	31,027,218
Cost of sales	17	**(18,135,534)**	(19,491,094)
GROSS PROFIT		**12,463,463**	11,536,124
Other income	18	**1,624**	985
TOTAL INCOME		**12,465,087**	11,537,109
EXPENSES			
Administration and general expenses	19	**5,011,138**	4,416,776
Finance charges	20	**1,042,233**	1,640,804
Depreciation	3	**3,784,507**	3,664,530
		9,837,878	9,722,110
Net profit/(loss) for the year		**2,627,209**	1,81 4,999

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2014

Year to 31 March 2014	Share capital	Shareholders' current accounts	Retained earnings	Legal reserve	Total
	AED	AED	AED	AED	AED
Balance at 1 April 2013	3,000,000	6,967,454	397,050	181,500	10,546,004
Net profit for the year	-	-	2,627,209	-	2,627,209
Transfer to legal reserve	-	-	(262,721)	262,721	-
Net movements in current accounts	-	277,000	-	-	277,000
Balance at 31 March 2014	**3,000,000**	**7,244,454**	**2,761,538**	**444,221**	**13,450,213**

Year to 31 March 2013	Share capital	Shareholders' current accounts	Retained earnings	Legal reserve	Total
	AED	AED	AED	AED	AED
Balance at 1 April 2012	3,000,000	6,535,454	(1,236,449)	-	8,299,005
Net profit for the year	-	-	1,814,999	-	1,814,999
Transfer to legal reserve	-	-	(181,500)	181,500	-
Net movements in current accounts	-	432,000	-	-	432,000
Balance at 31 March 2013	**3,000,000**	**6,967,454**	**397,050**	**181,500**	**10,546,004**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

	2014 AED	2013 AED
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the year	**2,627,209**	1,814,999
Adjustment for:		
Depreciation	**3,784,507**	3,664,530
Provision for employees' terminal benefits	**70,419**	44,973
Operating profit before working capital changes	**6,482,135**	5,524,502
(Increase) in inventories	**(1,038,022)**	(5,807,187)
(Increase) in accounts receivable	**(2,310,920)**	(5,597,592)
(Increase) in deposits, advances and prepayments	**(2,739,400)**	(250,992)
Increase/(decrease) in accounts payable and accruals	**3,591,091**	(101,469)
(Decrease)/increase in amounts due to related party	**(3,517,797)**	6,366,076
Net cash from operating activities	**467,087**	133,338
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(1,046,509)**	(487,480)
Net cash (used in) investing activities	**(1,046,509)**	(487,480)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movement in current accounts	**277,000**	432,000
Increase in term loans	**150,044**	12,447
Net cash from financing activities	**427,044**	444,447
Net (decrease)/increase in cash and cash equivalents	**(152,378)**	90,305
Cash and cash equivalents at beginning of the year	**252,006**	161,701
Cash and cash equivalents at end of the year	**99,628**	252,006

For Amarak Chemicals FZC

Director

Place : Fujairah

Date : 19 May 2014

Notes To The Financial Statements For The Year Ended 31 March 2014

1. LEGAL STATUS AND ACTIVITY

Legal status: Amarak Chemicals FZC ("the Company") is a Free Zone Company registered in Fujairah Free Zone in the Emirate of Fujairah with limited liability pursuant to and the Implementing Regulations issued there under by the Fujairah Free Zone Authority.

The Company is operating under license No 2084 issued on 9 September 2007 by Fujairah Free Zone Authority, Fujairah, United Arab Emirates.

Activity: The principal activity of the Company is manufacturing of chemicals and fertilizers. The principal place of business of the Company is located at Fujairah Free Zone, Fujairah, United Arab Emirates.

Management: As per the license issued by Fujairah Free Zone Authority, Mr. Subramani Shankaranarayan Chalakudi and Mr. Akshay Mirchandani, Indian Nationals are appointed as Directors of the Company.

Accounting period: These financial statements relate to the period from 1 April 2013 till 31 March 2014.

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 principal accounting policies applied in the preparation of the financial statements are set out below. These policies 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 property, plant and equipment as described in note 3 to the financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.4 to the financial statements.

2.2 Changes in accounting policy and disclosures

New and amended standards adopted by the company

The following standards have been adopted by the Company for the financial year beginning on or after 1 January 2013. The management believes that the adoption of the amendments have not had any material impact on the presentation and disclosure of items in the financial statements for the current period.

Amendment to IAS 1:Financial Statement Presentation improves the consistency and clarity of the presentation of items of other comprehensive income (OCI). The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).

IAS 19:**Employee benefits** was revised in June 2011. The changes on the Company's accounting policies has been as follows: to immediately recognize all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset).

Amendments to IFRS 7: Financial Instruments: **Disclosures on asset and liability offsetting** issued in October 2010 helps the users of financial statements evaluate the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position and promotes transparency in the reporting of transfer transactions, particularly those that involve securitization of financial assets.

IFRS 10: Consolidated financial statements builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be include within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

IFRS 11: Joint arrangements focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its shares of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted.

IFRS 12: Disclosures of interests in other entities includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles.

IFRS 13: Fair value measurement aims to improve consistency and reduce complexity by providing a precise definition of fair value and single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

Amendments to IAS 36: Impairment of assets on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of Cash Generating Units (CGU's) which had been included in IAS 36 by the issue of IFRS 13. The amendment is not mandatory for the Company until 1 January 2014.

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these financial statement. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out below:

IFRS 9: Financial Instruments is effective for accounting periods beginning on or after 1 January 2015. The standard was issued in November 2009, which was added to in October 2010 and further amended in December 2011 amending the effective date from 1 January 2013 to 1 January 2015. Currently, IFRS 9 outlines the recognition and measurement of financial assets, financial liabilities and the derecognition criteria for financial assets. Financial assets are to be measured either at amortized cost or fair value through profit and loss, with an irrevocable option on initial recognition to recognize some equity financial assets at fair value through other comprehensive income. A financial asset can only be measured at amortized cost if the entity has a business model to hold the asset to collect contractual cash flows and the cash flows arise on specific dates and are solely for payment of principal and interest on the principal outstanding.

The management believes the adoption of the above amendments is not likely to have any material impact on the presentation and disclosure of items in the financial statements for future periods.

2.3 Significant accounting policies

a) **Property, plant and equipment**

Property, plant and equipment are initially recorded at cost together with any incidental expenses of acquisition or construction. Subsequently they are stated at cost less accumulated depreciation and accumulated impairment losses.

Major costs incurred in restoring property, plant and equipment to their normal working condition are charged to the income statement. Improvements are capitalized and depreciated over their expected useful lives.

b) **Depreciation**

The cost of property, plant and equipment is depreciated by equal annual installments over the estimated useful lives of the assets. The estimated useful lives of the assets for the calculation of depreciation are as follows:

Building	20 years
Machinery	10 years
Furniture, fixture and office equipment	5 years
Motor vehicle	4 years

c) **Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

d) **Employees' terminal benefits**

Termination benefits are paid to employees' when employment is terminated by the Company before the normal retirement date or whenever an employee accepts voluntary retirement in exchange for these benefits.

Provision is made for employees' terminal benefits on the basis prescribed under the U.A.E Labour Law based on employees' salaries and number of years of service. The terminal benefits are paid to employees on termination or completion of their term of employment.

e) **Inventories**

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average basis. Cost of inventories comprises of costs of purchase, and where applicable cost of conversion and other costs that has been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

f) **Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Accounts payable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

g) **Cash and cash equivalents**

Cash and cash equivalents comprise short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

h) **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied stated net of discounts, returns etc.

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

(i) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

(ii) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

(iii) the amount of revenue can be measured reliably;

(iv) it is probable that the economic benefits associated with the transaction will flow to the Company; and

(v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

i) **Foreign currencies**

Functional and presentation currency

The financial statements are presented in UAE Dirham (AED), which is the Company's functional and presentation currency.

Transaction and balances

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the income statement.

j) **Trade receivables**

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade receivables originated by the Company are measured at cost. An allowance for credit losses of trade receivable is established when there is objective evidence that the Company will not be able to collect the amounts due. Indicators that the trade receivable are impaired include consistent default in the payments when due, financial difficulties of the customer and other indicators. When a trade receivable is considered uncollectible, it is written off against the allowance account for credit losses. Subsequent recoveries of amounts previously written off are credited in the statement of income. The carrying value of trade receivable approximate to their fair value due to the short term nature of those receivables.

k) **Finance charges**

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

l) **Financial instruments**

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

m) **Impairment**

Financial assets

At each balance sheet date, the Company assesses if there is any objective evidence indicating impairment of financial assets or non-collectability of receivables.

An impairment loss, if any, arrived at as a difference between the carrying amount and the recoverable amount, is recognized in the statement of income. The recoverable amount represents the present value of expected future cash flows discounted at original effective interest rate. Cash flows relating to short term receivables are not discounted.

Non-financial assets

At each balance sheet date, the Company assesses if there is any indication of impairment of non-financial assets. If an indication exists, the Company estimates the recoverable amount of the asset and recognizes an impairment loss in the statement of income. The Company also assesses if there is any indication that an impairment loss recognized in prior years no longer exists or has reduced. The resultant impairment loss or reversals are recognized immediately in the statement of income.

n) **Financial liabilities**

All financial liabilities are initially measured at cost and are subsequently measured at amortized cost. The effective interest method is a method of calculating the amortized cost of a financial liability and allocating interest expense over the relevant period.

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired.

o) **Contingent liabilities and contingent assets**

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from the past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

Contingent liabilities are not recognized but are disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognized as provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When an inflow is virtually certain, an asset is recognized.

2.4 Significant accounting estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revisions affect both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Impairment of trade receivables and amounts due from related parties

An estimate of the collectible amount of trade accounts receivable and related parties is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and an allowance applied according to the length of time past due, based on historical recovery rates. Any difference between the amounts actually collected in future periods and the amounts expected to be collected will be recognized in the income statement.

3. PROPERTY, PLANT AND EQUIPMENT

Particulars	Building AED	Machineries AED	Furniture, fixtures and office equipments AED	Motor vehicles AED	Total AED
Cost:					
at 1 April 2013	14,652,619	28,496,723	144,116	301,500	43,594,958
additions during the year	77,450	587,500	6,559	375,000	1,046,509
at 31 March 2014	14,730,069	29,084,223	150,675	676,500	44,641,467
Depreciation:					
at 1 April 2013	1,521,893	5,928,128	60,038	126,773	7,636,832
charge for the year	733,871	2,873,483	29,860	147,293	3,784,507
at 31 March 2014	2,255,764	8,801,611	89,898	274,066	11,421,339
Net book values:					
at 31 March 2014	**12,474,305**	**20,282,612**	**60,777**	**402,434**	**33,220,128**
at 31 March 2013	**13,130,726**	**22,568,595**	**84,078**	**174,727**	**35,958,126**

	2014 AED	2013 AED
4 INVENTORIES		
Raw materials	**17,522,588**	15,585,891
Finished goods	**250,700**	1,110,167
Packing materials	**235,165**	283,463
Consumables	**18,088**	8,998
	18,026,541	16,988,519
5 TRADE RECEIVABLE		
Accounts receivable	**10,852,481**	8,541,561
	10,852,481	8,541,561

(i) At the balance sheet date, 99% of net accounts receivable (2013 - 97%) are due from 3 customers (2013 - 2 customer).

(ii) In the opinion of the management, the receivables are considered good and fully recoverable.

(iii) The aging analysis of the trade receivables are as follows:

	2014 AED	2013 AED
Due for less than 6 months	**10,852,481**	8,541,561
Due for more than 6 months	**-**	-
	10,852,481	8,541,561
6 DEPOSITS, ADVANCES AND PREPAYMENTS		
Prepayments	**707,869**	975,395
Deposits	**110,133**	341,233
Advance to suppliers	**9,537,323**	6,281,657
Other receivables	**-**	-
	10,355,325	7,615,925
7 CASH AND BANK BALANCES		
Cash in hand	**8,640**	384
Current account with banks	**90,988**	251,622
	99,628	252,622
8 SHARE CAPITAL		
Authorised, issued and paid-up capital	**3,000,000**	3,000,000
(20,000 shares of AED 150 each)		
	3,000,000	3,000,000

9. SHAREHOLDERS' CURRENT ACCOUNTS

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

10. LEGAL RESERVE

This represents reserve created out of profit of the Company in accordance with the provisions of Memorandum and Articles of Association of the Company.

11. SHARE APPLICATION MONEY

Share application money represents amount received from Golden Harvest Middle East FZC, Sharjah Airport International Free Zone, United Arab Emirates, a shareholder of the Company towards advance for allotment of shares of the Company.

12. PROVISION FOR EMPLOYEES' TERMINAL BENEFITS

The provision for end of service benefits for employees is made in accordance with the requirements of the U.A.E. Labour Laws. This is an unfunded defined benefits retirement plan. Employees are entitled to benefits based on length of service and final remuneration. Accrued employees' terminal benefits are payable on termination of employment. The cost of providing these benefits is charged as an expense on an annual basis and the charge for the year ended 31 March 2014 amounted to AED 83,063 (2013 AED –44,973).

	2014 AED	2013 AED
13 TERM LOANS		
Motor vehicle loan	**4,30,447**	2,80,403
	4,30,447	2,80,403

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

Current portion	**2,47,960**	1,49,940
Non current - portion	**1,82,487**	1,30,463

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

14 TRADE PAYABLE AND ACCRUALS		
Accounts payable	**6,066,914**	24,36,958
Accrued expenses	**6,56,859**	4,06,318
Other payables	**3,307,500**	28,66,500
Advance received from customers	**-**	7,30,406
	10,031,273	64,40,182

15 RELATED PARTY BALANCES

The Company has in the ordinary course of business, entered into trading, financial and service transactions with concerns in which the shareholders' /directors'/manager of the Company or their relatives have an investing / controlling interest.

The prices and terms of these transactions were approved by the management and considered comparable to those charged by third parties. The amounts outstanding to related parties are unsecured, which do not attract interest and are payable on demand. No expense has been recognized in the period for bad or doubtful debts in respect of the amounts owed by related parties.

At the end of the reporting period, amounts due to related parties were as follows:-

Golden Harvest Middle East FZC	**2,00,27,881**	24,141,157
Aries Agro Ltd, Mumbai, India	**5,95,479**	-
	2,06,23,360	24,141,157

The volumes of related party transactions during the year were as follows:-

Sales	**4,48,694**	23,46,671
Purchases	**2,38,801**	3,39,885
Directors remuneration	**4,85,000**	4,14,000

		2014 AED	2013 AED
16	**COST OF SALES**		
	Opening inventories	**1,69,88,519**	1,11,81,332
	Purchases	**1,60,72,556**	2,28,33,478
	Direct expenses	**31,01,000**	24,64,803
	Less: Closing inventories	**(1,80,26,541)**	(1,69,88,519)
		1,81,35,534	1,94,91,094
17	**ADMINISTRATION EXPENSES**		
	Salaries and benefits	**12,61,962**	8,30,686
	Rent expenses	**128,9,019**	19,78,252
	Communication expenses	**1,42,947**	1,48,994
	Legal and professional charges	**4,65,045**	1,33,964
	Advertisement and business promotion expenses	**-**	6,155
	Insurance charges	**1,30,674**	1,34,873
	Clearing and forwarding charges- Export	**13,64,627**	8,43,369
	Office expenses	**1,32,590**	80,674
	Repairs and maintenance	**98,158**	26,504
	Commission expenses	**4,961**	1,42,755
	Vehicle running expenses	**88,212**	55,621
	Visa expenses	**-**	18,904
	Miscellaneous expenses	**5,002**	-
	Printing and stationery	**8,484**	5,000
	Travelling expenses	**6,752**	2,385
	Water and electricity charges	**12,705**	8,640
		50,11,138	44,16,776
18	**FINANCE CHARGES**		
	Bank charges	**63,988**	22,789
	Loss on currency exchange fluctuation	**-**	22,489
	Interest charges	**9,78,245**	15,95,526
		10,42,233	16,40,804

19. FINANCIAL RISK AND CAPITAL MANAGEMENT

19.1 Financial risk factors

Financial assets of the Company include cash, bank balances, trade receivables, deposits, and advances. Financial liabilities include amounts due to related party, vehicle loans,trade payables and accruals.

The management believes that the fair values of the financial assets and liabilities approximate to their carrying amounts.

The Company's financial risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects of the financial performance. Under the Company's risk management programme, management identifies and documents key risks and sets out policies and procedures required to mitigate these risks. The identified key risks are:

a) **Currency risk**

The majority of the Company's financial assets and financial liabilities are either denominated in local currency (AED) or currencies fixed to the AED. Hence the management believes that there would not be a material impact on the profitability if these foreign currencies weakens or strengthens against the AED with all over variables held constant.

b) **Credit risk**

The Company is potentially exposed to concentration of credit risk from its financial assets which comprise principally bank balances and trade receivables. The Company's bank accounts are placed with high credit quality financial institutions. The credit risk on trade receivables is subjected to credit evaluations and an allowance has been made for estimated irrecoverable amounts. The amounts presented in the balance sheet are net of allowances for doubtful receivables.

The Company is not exposed to any significant concentration of credit risk because its exposure is spread over financial institutions and a large number of customers.

c) **Liquidity risk**

The Company manages its liquidity risk by ensuring it has sufficient liquid cash balances to meet its payment obligations as they fall due.

19.2 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.

20 CAPITAL COMMITMENTS

Operating lease commitments

Commitments as a lessee under operating leases on land leased from Fujairah Free Zone Authority for a initial period of 10 years.

		2014 AED	2013 AED
(i)	Not later than one year from balance sheet date	**1,92,000**	1,92,000
(ii)	1-5 years post balance sheet date	**4,64,000**	7,68,000
		6,56,000	**8,48,000**

Except for the above and ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known capital commitment on Company's financial statements as of reporting date.

21. CONTINGENT LIABILITIES

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability on Company's financial statements as of reporting date.

22. COMPARATIVE FIGURES

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

However such reclassification do not have impact on the previously reported profit or equity.

23 SEGMENT REPORTING

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

	2014 AED	2013 AED
With in United Arab Emirates	**2,16,250**	-
Other countries:		
Oman	**89,67,000**	1,18,33,500
Brazil	**94,94,363**	71,10,895
Tanzania	**30,31,875**	58,27,921
India	**2,32,444**	49,98,459
Sri Lanka	**1,20,540**	2,50,635
Pakistan	**-**	83,148
New Zealand	**85,36,525**	1,50,028
Australia	**-**	7,72,632
	3,05,98,997	**3,10,27,218**

24. LEVEL OF PRECISION

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

25. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the shareholders and authorized for issue on 19 May 2014.

NOTICE OF 8th ANNUAL GENERAL MEETING

Notice is hereby given that the Eight Annual General Meeting of the Members of **ARIES AGRO CARE PRIVATE LIMITED** will be held on Monday, 22nd September, 2014 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, 2014 and Statement of Profit and Loss for the year ended as on that date together with the Reports of the Board of Directors and Auditors thereon.

2. To appoint Director in place of Dr. Jimmy Mirchandani who retires by rotation and being eligible offers himself for re-appointment.

3. To appoint M/s. Kirti D. Shah & Associates, Chartered Accountants, Mumbai, as the Auditors of the Company, for a term of 5(Five) years to hold office from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting to be held in the year 2019 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: 26th May, 2014 **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 Eighth Annual Report together with Audited Statement of Accounts of the Company for the period ended 31st March, 2014.

1. FINANCIAL RESULTS :

During year under review the Company did not do any business. However there was Other Income amounting to Rs. 207,559/- as against the Other Income amounting to Rs. 1,777/- in the previous year. Consequently the Company has incurred a loss of Rs. 90,363/- as compared to the Loss of Rs. 595,669/- in the Previous Year.

2. CURRENT STATUS

In view of the extremely volatile nature of the seeds business, your Directors have temporarily suspended the Seed business.

3. DIVIDEND :

Since the Company has incurred losses your Directors do not recommend any Dividend.

4. DEPOSITS :

The Company has not accepted any Fixed Deposits from the Public.

5. PARTICULARS OF EMPLOYEES :

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 outsourced the manufacturing activity, report pertaining to conservation of energy and technology absorption are not applicable. For technology absorption, wherever applicable 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 accordance with the Companies Act, 1956 and the Articles of Association of the Company, Dr. Jimmy Mirchandani retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Accordingly his re-appointment forms part of the notice of ensuing AGM.

8. DIRECTORS' REPLY TO OBSERVATIONS / REMARKS MADE IN AUDITORS' REPORT (Para (x) of the Annexure to the Auditors' Report)

The Auditors have in their Audit Report commented that the Company has made cash losses during the year and the accumulated losses are in excess of 50% of the Paid Up Capital and Free Reserves.

To this the Directors wish to inform that due to extremely volatile nature of the seeds business, the Company temporarily suspended the Seeds business during the previous year which continued during the current year. The Cash losses and the Accumulated losses are due to the same reason.

9. 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.

10. 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 loss 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.

11. ACKNOWLEDGEMENT :

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

By Order of the Board
For **Aries Agro Care Private Limited**

Dr. Jimmy Mirchandani
Director

Dr. Rahul Mirchandani
Director

Place : Mumbai
Date : 26th May, 2014

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

ARIES AGRO CARE PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **ARIES AGRO CARE PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act , 1956 (The Act) read with the general Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 Company'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 Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;

(b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, 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 account as required by law have been kept by the Company so far as it appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from the branches not visited by us].

(c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account [and with the returns received from the branches not visited by us].

(d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

(e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

Kirti D. Shah
Proprietor
Membership No. 032371

Place : MUMBAI
Date : 26th May, 2014

ANNEXURE TO THE AUDITORS' REPORT

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

The Annexure referred to in our audit report to the members of Aries Agro Care Private Limited for the year ended 31st March, 2014. We report that:

i. a. The company does not have any Fixed assets hence Clause (i) of the said order is not applicable to the Company.

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 dose not arise.

iii. a. The company has taken loan from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs. 6,004,935/- (Previous Year Rs. 5,587,435/-) and the year end balance of such loan amounted to Rs. 5,805,535/- (Previous Year Rs. 5,587,435/-). Other than the above, the company has not granted any loans, secured or unsecured, to the companies, firms or parties covered in the register maintained under section 301 of the Act.

b. In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms as other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.

c. The Company is regular in repaying the principal amounts as situated and has been regular in the payment of interest

d. The company has not granted any loans during the year from companies, firms or parties covered in the register maintained under Section 301 of the Companies Act, 1956.

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 of the Companies Act, 1956, have been so entered.

b. The transactions made in pursuance of contracts or arrangements entered in the Register maintained under section 301 of the Companies Act, 1956, and exceeding value of Rupees Five Lacs in respect of each party during the period have been made at prices which appear reasonable as per the information available with the Company.

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 Rs.50 lacs as at the commencement of the financial year concerned or average annual turnover does not exceed Rs. 5 crore rupee for a period of three consecutive financial year immediately preceeding the financial year concerned. Accordingly applicability of internal audit does not arise.

viii. The provisions of related maintenance of the cost records prescribed by the Central Government under section 209 (1) (d) of the Act are not applicable to the company.

ix. a. The company where applicable is 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.

b. There is no disputed liability in respect of tax dues on account of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess etc.

x. The Company was incorporated in the year 2007 and has incurred cash losses of Rs. 0.90 lac during the year and has incurred cash loss of Rs. 5.96 lacs during FY 2012-13. The accumulated loss as on 31st March, 2014 was Rs 26.74 lacs. Accumulated losses are in excess of 50% of its paid up capital and free reserves.

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 issue of debentures.

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. Therefore, the clause (viii) of paragraph 4 of the order is not applicable to the Company.

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 monies by way of public issues during the year.

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
Firm Registration No. 115133W

Kirti D. Shah
Proprietor
Membership No. 032371

Place : MUMBAI
Date : 26th May, 2014

Balance Sheet as at 31st March, 2014

Particulars		Note No.	As at 31 March, 2014 Rupees	As at 31 March, 2013 Rupees
I.	**EQUITY AND LIABILITIES**			
(1)	**Shareholder's Funds**			
	(a) Share Capital	3	**100,000**	100,000
	(b) Reserves and Surplus	4	**(2,673,971)**	(2,583,608)
			(2,573,971)	(2,483,608)
(2)	**Current Liabilities**			
	(a) Short Term Borrowings	5	**5,805,535**	5,787,435
	(b) Trade Payables	6	**159,400**	124,578
	(c) Other Current Liabilities	7	**2,500**	22,743
			5,967,435	5,934,756
	TOTAL		**3,393,464**	3,451,148
II.	**ASSETS**			
(1)	**Non-Current Assets**			
	(a) Unamortised Expenses	8	**-**	-
			-	-
(2)	**Current Assets**			
	(a) Cash & Cash Equivalents	9	**39,605**	52,289
	(b) Short Term Loans and Advances	10	**3,353,859**	3,398,859
			3,393,464	3,451,148
	TOTAL		**3,393,464**	3,451,148
	Significant Accounting Policies &			
	The Notes to Accounts 1 to 23 form part of these Financial Statements			

As per our report of even date

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

Kirti D. Shah
Proprietor
Membership No 32371

Place : Mumbai.
Date :- 26th May, 2014.

For and on behalf of the Board

Dr. Jimmy Mirchandani
Director

Dr. Rahul Mirchandani
Director

Statement of Profit and Loss for the year ended 31st March, 2014.

	Particulars	Note No.	Year Ended 31 March 2014 Rupees	Year Ended 31 March 2013 Rupees
I	Other Income	11	**207,559**	1,777
II	Total Revenue (I)		**207,559**	1,777
III	Expenses :			
	(a) Depreciation & Amortization Expenses	12	**-**	251,844
	(b) Other Expenses	13	**252,922**	345,602
	Total Expenses		**252,922**	597,446
IV	**Profit Before Tax (II - III)**		**(45,363)**	(595,669)
V	**Profit after Tax (PAT)**		**(45,363)**	(595,669)
	Add/(Less):- MAT Credit w/off		**45,000**	-
VI	**Profit / (Loss) for the period**		**(90,363)**	(595,669)
VII	**Earnings per Equity Share**			
	(1) Basic & Diluted	14	**(9.04)**	(59.57)
	Significant Accounting Policies &			
	The Notes to Accounts 1 to 23 form part of these Financial Statements			

As per our report of even date

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

Kirti D. Shah
Proprietor
Membership No 32371

Place : Mumbai.
Date :- 26th May, 2014.

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, 2014

(Rupees in Lacs)

Sr. No.	Particulars	2013-14	2013-14	2012-13	2012-13
A)	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax as per Profit and Loss Account		**(0.45)**		(5.96)
	Adjusted for :				
	Depreciation and Amortisation Expenses	**-**		2.52	
	Interest Income	**(0.02)**		(0.02)	
			(0.02)		2.50
	Operating Profit before Working Capital Changes		**(0.47)**		(3.46)
	Adjusted for :				
	Trade Payable	**0.35**		0.08	
	Other Payable	**(0.20)**		(1.85)	
			0.15		(1.77)
	Cash Generated from Operations,		**(0.33)**		(5.23)
	Net Prior Year Adjustments				
	MAT Credit w/off	**(0.45)**	**(0.45)**	-	
	Net Cash from Operating Activities		**(0.78)**		(5.23)
B)	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Movement in Short Term Loans and Advances		**0.45**		(0.08)
	Interest Income		**0.02**		0.02
	Net Cash (used in) Investing Activities		**0.47**		(0.06)
C)	**CASH FLOW FROM FINANCIAL ACTIVITIES:**				
	Short Term Borrowings (Net)		**0.18**		4.53
	Net Cash (used in) / from financing activities		**0.18**		4.53
	Net Increase in Cash and Cash Equivalents		**(0.13)**		(0.76)
	Opening Balance of Cash and Cash Equivalents		**0.52**		1.28
	Closing Balance of Cash and Cash Equivalents		**0.40**		0.52

As per our report of even date

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

Kirti D. Shah
Proprietor
Membership No 32371

Place : Mumbai.
Date :- 15th May, 2013.

For and on behalf of the Board

Dr. Jimmy Mirchandani
Director

Dr. Rahul Mirchandani
Director

Notes to the Financial Statements for the year ended 31st March, 2014

1. Corporate Information

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

2. Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards, notified by the Companies Accounting Standards Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention except in case of assets for which provision for impairment is made and revaluation is carried out.

Summary of significant accounting policies

A. (i) Basis of preparations of Financial Statements

The Financial statements are prepared under the historical cost convention, except for certain fixed assets which are revalued, in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

(ii) Use of estimates

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

B. Tangible fixed assets

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

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

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

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

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

C. Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher.

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

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

D. Intangible assets

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

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

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

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

E. Borrowing Costs

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

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

F. Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its

Notes to the Financial Statements for the year ended 31st March, 2014

recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

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

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

G. Inventories

Inventories are valued as follows:

Raw materials and packing materials : Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a first-in-first out basis. Customs duty on imported raw materials (excluding stocks in the bonded warehouse) is treated as part of the cost of the inventories.

Work-in-progress and finished goods : Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

Traded goods : Lower of cost and net realizable value. Cost includes the purchase price and other associated costs directly incurred in bringing the inventory to its present location.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Waste and scrap are not separately valued being insignificant in value

H. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(i) Sale of products:

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

(ii) **Interest Income**:

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

I. Investments

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

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

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

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

J. Retirement benefits

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

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The gratuity benefit of the Company is administered by a trust formed for this purpose through the group gratuity scheme. Actuarial gains

Notes to the Financial Statements for the year ended 31st March, 2014

and losses for defined benefit plan are recognized in full in the period in which they occur in the statement of profit and loss.

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

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

K. Foreign currency translation

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

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

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

L. Income tax

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

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

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

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

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

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

M. Earnings Per Share (EPS)

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

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

Notes to the Financial Statements for the year ended 31st March, 2014

N. Segment reporting

Identification of segments

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

O. Provisions

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

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

P. Contingent liability

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

Q. Cash and cash equivalents

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

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

Notes to the Financial Statements for the year ended 31st March, 2014

3 SHARE CAPITAL

		As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Authorised Share Capital			
10,000 Equity Shares of Rs. 10/- each		**100,000**	100,000
	Total	**100,000**	100,000
Issued, Subscribed and Paidup			
10,000 Equity Shares of Rs.10/- each.		**100,000**	100,000
	Total	**100,000**	100,000

3.1 **Reconciliation of Number of Shares Outstanding**

Particulars	**As at 31st March, 2014 No. of Shares**	As at 31st March, 2013 No. of Shares
Equity Shares at the beginning of the year	**10,000**	10,000
Equity Shares at the end of the year	**10,000**	10,000

3.2 **List of Shareholder's holding more that 5 percent of Shares**

Name of the Shareholder	**No. of Shares**	**As at 31st March, 2014 % Held**	No. of Shares	As at 31st March, 2013 % Held
Aries Agro Limited	**10,000**	**100.00**	10,000	100.00

4 RESERVES AND SURPLUS

		As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Profit & Loss Account			
As per last Balance Sheet		**(2,583,608)**	(1,987,939)
Add:- Profit / (Loss) for the year		**(90,363)**	(595,669)
	Total	**(2,673,971)**	(2,583,608)

5 SHORT TERM BORROWINGS

		As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Un-Secured Term Loans			
Loan from Directors		**600**	200,000
Loan from Holding Company		**5,804,935**	5,587,435
	Total	**5,805,535**	5,787,435

Notes to the Financial Statements for the year ended 31st March, 2014

6 TRADE PAYABLES

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Creditors for Expenses	**159,400**	124,578
Outstanding Expenses	**-**	-
Total	**159,400**	124,578

6.1 There are no Micro and Small Enterprises to whom Company owes dues, which are outstanding for more than 45 days as at 31st March, 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

7 OTHER CURRENT LIABILITIES

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Advance/Credits from Customers	**-**	22,743
Statutory Dues	**2,500**	-
Total	**2,500**	22,743

8 UNAMORTISED EXPENSES

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
(Pre-operative Expenses)		
As per last Balance Sheet	**-**	251,844
	-	251,844
Less :- 1/5th W/off to Profit and Loss A/c	**-**	251,844
Total	**-**	-

9 CASH AND CASH EQUIVALENTS

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Balance with Scheduled Banks in Current Accounts	**17,968**	24,344
Balance with Scheduled Banks in Fixed Deposit Accounts	**21,637**	27,945
Total	**39,605**	52,289

10 SHORT TERM LOANS AND ADVANCES

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Deposits	**32,000**	32,000
Others - Advances to Suppliers	**3,321,859**	3,321,859
Tax Refund		
MAT Credit	**-**	45,000
Total	**3,353,859**	3,398,859

10.1 Advance to Suppliers includes advances paid to the supplier of seeds M/s Pradham Biotech Private Limited, Hyderabad against whom the Company has filed a winding up petition to recover its dues. The Company is hopeful of positive outcome and hence no provision has been made in the accounts towards this advance.

Notes to the Financial Statements for the year ended 31st March, 2014

11 OTHER INCOME

	Year Ended 31 March 2014 Rupees	Year Ended 31 March 2013 Rupees
Interest Income on :		
Bank Fixed Deposits	**1,926**	1,777
Other Non-Operating Income		
Misc. / Other Income		
Sundry balance w/off	**205,633**	-
Total	**207,559**	1,777

12 AMORTISATION

	Year Ended 31 March 2014 Rupees	Year Ended 31 March 2013 Rupees
Pre-operative expenses w/off	**-**	251,844
Total	**-**	251,844

13 OTHER EXPENSES

	Year Ended 31 March 2014 Rupees	Year Ended 31 March 2013 Rupees
Other Administration Expenses		
Audit Fees	**16,854**	16,854
Legal & Professional Fees	**225,468**	310,844
Rent, Rates & Taxes	**10,600**	17,904
Total	**252,922**	345,602

13.1 Payment to Auditors as :

Particulars	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Statutory Audit Fees	**16,854**	16,854
Taxation Matters	**5,618**	5,618
Total	**22,472**	22,472

14 EARNINGS PER SHARE (EPS)

		Year Ended 31 March 2014 Rupees	Year Ended 31 March 2013 Rupees
i)	Net Profit After Tax (PAT) as per Profit and Loss Account attributable to Equity Shareholders (Rs.in Lacs)	**(90,363)**	(595,669)
ii)	Weighted Average number of Equity Shares used as denominator for calculating EPS	**10,000**	10,000
iii)	Basic & Diluted Earnings per Share (Rs.)	**(9.04)**	(59.57)
iv)	Face Value per Equity Share (Rs.)	**10**	10

15 Though the Company has discontinued its operations and has incurred losses during the year and its losses are in excess of the paid up capital and free reserves. The company in view of the commitment of the holding company, the principle of going concern is not violated.

Notes to the Financial Statements for the year ended 31st March, 2014

16 RELATED PARTY DISCLOSURES

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

Part - A							
Details of Related Parties as per AS - 18							
Sr. No.	**Nature of Relationship**	**Name of the Related Party**		**Remarks**			
1	Holding Company	a)	Aries Agro Limited	a)	Date of becoming Subsidiary of Aries Agro Limited is 5th January, 2007 (Incorporation Date)		
2	Key Management Personnel	a)	Dr. Jimmy Mirchandani	a)	Director		
		b)	Dr. Rahul Mirchandani	b)	Director		
3	Relatives of Key Management Personnel	**Name of the Key Management Personnel**		**Name of the Relative**		**Relationship**	
		a)	Dr. Jimmy Mirchandani	a)	Late Mrs. Sarasa Mirchandani	Spouse	
				b)	Mr. Akshay Mirchandani	Son	
				c)	Mr. Amol Mirchandani	Son	
				d)	Dr. Rahul Mirchandani	Brother	
		b)	Dr. Rahul Mirchandani	a)	Mrs. Nitya Mirchandani	Spouse	
				b)	Mastar Armaan Mirchandani	Son	
				c)	Dr. Jimmy Mirchandani	Brother	
4	Fellow Subsidiaries	a)	Aries Agro Equipments Pvt Ltd	a)	A wholly owned Subsidiary of Aries Agro Limited		
		b)	Aries Agro Produce Pvt Ltd	b)	A Subsidiary of Aries Agro Limited		
		c)	Golden Harvest Middle East FZC	c)	A Subsidiary of Aries Agro Limited		
		d)	Amarak Chemicals FZC	d)	A Step Down Subsidiary of Aries Agro Limited		
5	Enterprises over which the Key Management Personnel have significant influence or control	a)	Aries East West Nutrients Pvt Ltd				
		b)	Aries Marketing Ltd				
		c)	Blossoms International Ltd				
		d)	Sreeni Agro Chemicals Ltd				

Part - B				
Details of Transactions with Related Parties				
Sr. No.	**Category**	**Nature of Service**	**Year Ended 31 March 2014 Rupees**	Year Ended 31 March 2013 Rupees
1	Holding Company	Finance - Loans / Payments Given	**-**	75,000
		Finance - Loans / Payments Received	**217,500**	327,500
2	Key Management Personnel	Finance - Loans / Payments Given	**200,000**	200,000
		Finance - Loans / Payments Received	**600**	-

Category	**Nature of Outstanding**	**Name of the Party**	**As at 31 March 2014 Rupees**	As at 31 March 2013 Rupees
Holding Company	Unsecured Loans	Aries Agro Limited	**5,804,935**	5,587,435
Key Management Personnel	Unsecured Loans	Dr. Jimmy Mirchandani	**600**	200,000

Notes to the Financial Statements for the year ended 31st March, 2014

17. 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 considered reasonably necessary.

c) The balances of sundry creditors, sundry debtors and loans and advances are subject to confirmation.

18. Contingent Liability

a) Guarantees issued to Revenue / Tax Authorities of Rs. 2 Lacs (Previous Year Rs. 2.45 Lacs).

b) Claims against company not acknowledged as debts Rs. 103.64 Lacs which pertains to pending suits regarding alleged dues.

19. Foreign Exchange Earnings & Outflow:

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

20. Micro and Small Scale Business Entities

There are no micro and small Enterprises to whom company owes dues, which are outstanding for more than 45 days as at 31st March, 2014. This Information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

21. Segment Reporting

The Company has only one business segment “Agricultural Seeds” as its primary segment and hence disclosure of segment-wise information is not required under Accounting Standard 17 ‘Segmental Information’ notified pursuant to the Companies (Accounting Standard) Rules, 2006 (as amended).

22. In absence of virtual certainty that sufficient future taxable income will be available for setoff of losses incurred by the company, the company has not taken credit for Deferred tax assets.

23. 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
Firm Registration No. 115133W

Kirti D. Shah
Proprietor
Membership No 32371

Place : Mumbai
Date :- 26th May, 2014

For and on behalf of the Board

Dr. Jimmy Mirchandani
Director

Dr. Rahul Mirchandani
Director

NOTICE OF 8TH ANNUAL GENERAL MEETING

Notice is hereby given that the Eighth Annual General Meeting of the Members of ARIES AGRO EQUIPMENTS PRIVATE LIMITED will be held on Monday, 22nd September, 2014 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, 2014 and Statement of Profit and Loss for the year ended as on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint Director in place of Dr. Jimmy Mirchandani who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s. Kirti D. Shah & Associates, Chartered Accountants, Mumbai, as the Auditors of the Company, for a term of 5(Five) years to hold office from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting to be held in the year 2019 and to authorize the Board of Directors to fix their remuneration.

By Order of the Board
For Aries Agro Equipments Private Limited

Place: Mumbai
Date: 26th May, 2014

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 Equipments Private Limited.

Your Directors are pleased to present their Eighth Annual Report together with Audited Statement of Accounts of the Company for the year ended 31st March, 2014.

1. FINANCIAL RESULTS :

The Company generated a turnover of Rs. 54,118/- as against the expenses of Rs. 1,066,026/- . The Company incurred a loss of Rs. (971,959/-) as compared to Profit of Rs. 772,975/- in the previous year.

2. CURRENT STATUS :

Your Directors have temporarily suspended the business of the Company due to inadequacy of Distribution Network specifically for Farm Equipments.

3. DIVIDEND :

With a view to conserve the internal accruals 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 accordance with the Companies Act, 1956 and the Articles of Association of the Company, Dr. Jimmy Mirchandani retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Accordingly his re-appointment forms part of the notice of ensuing AGM.

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 Ltd and other related agencies.

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

Dr. Jimmy Mirchandani
Director

Dr. Rahul Mirchandani
Director

Place : Mumbai
Date : 26th May, 2014

INDEPENDENT AUDITORS' REPORT OF ARIES AGRO EQUIPMENTS PVT.LTD.

TO THE MEMBERS OF

ARIES AGRO EQUIPMENTS PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **ARIES AGRO EQUIPMENTS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act , 1956 (The Act) read with the general Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 Company'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 Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;

(b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, 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 account as required by law have been kept by the Company so far as it appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from the branches not visited by us].

(c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

(e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

Kirti D. Shah
Proprietor
Membership No. 032371

Place : MUMBAI
Date : 26th May, 2014

ANNEXURE TO THE AUDITORS' REPORT

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

The Annexure referred to in our audit report to the members of Aries Agro Equipments Private Limited for the year ended 31st March, 2014. We report that:

i. a. The company does not have any Fixed assets hence Clause (i) of the said order is not applicable to the Company.

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 dose not arise.

iii. a. The company has taken loan from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs 4,756,082/- (Previous Year Rs. 10,779,318/-) and the year end balance of such loans amounted to Rs. 3,550,859/- (Previous Year Rs. 4,548,279/-). Other than the above, the company has not granted any loans, secured or unsecured, to the companies, firms or parties covered in the register maintained under section 301 of the Act.

b. In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms as other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.

c. The Company is regular in repaying the principal amounts as situated and has been regular in the payment of interest

d. The Company has not granted any loans during the year from companies, firms or parties covered in the register maintained under section 301 of the Companies Act, 1956.

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 of the Companies Act, 1956 and exceeding value of Rupees Five Lacs in respect of each party during the period have been made at prices which appear reasonable as per the information available with the company

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 Rs.50 lacs as at the commencement of the financial year concerned or average annual turnover does not exceed Rs. 5 crore rupee for a period of three consecutive financial year immediately preceding the financial year concerned. Accordingly applicability of internal audit dose not arise.

viii. The provisions of maintenance of the cost records prescribed by the Central Government under section 209 (1) (d) of the Act are not applicable to the company.

ix. a. The company where applicable is 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 delay.

b. There is no disputed liability in respect of tax dues on account of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess etc.

x. The company has no accumulated losses. The company has incurred cash losses in the financial period under audit. The Company has not incurred any cash losses in the financial period immediately preceding such financial report.

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 issue of debentures.

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. Therefore, the clause (viii) of paragraph 4 of the order is not applicable to the company.

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 monies by way of public issues during the year.

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
Firm Registration No. 115133W

Kirti D. Shah
Proprietor
Membership No. 032371

Place : MUMBAI
Date : 26th May, 2014

Balance Sheet as at 31 March 2014

Particulars			Note No.	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
I.	EQUITY AND LIABILITIES				
(1)	Shareholder's Funds				
	(a)	Share Capital	3	**100,000**	100,000
	(b)	Reserves and Surplus	4	**7,773,228**	8,745,186
				7,873,228	8,845,186
(2)	Current Liabilities				
	(a)	Short Term Borrowings	5	**3,570,859**	4,588,279
	(b)	Trade Payables	6	**435,641**	454,707
	(c)	Other Current Liabilities	7	**75,918**	637,509
	(d)	Short Term Provisions	8	**-**	30,000
				4,082,417	5,710,495
		TOTAL		**11,955,645**	14,555,682
II.	ASSETS				
(1)	Current Assets				
	(a)	Trade Receivables	9	**11,806,960**	13,646,401
	(b)	Cash & Cash Equivalents	10	**25,737**	6,851
	(c)	Short Term Loans and Advances	11	**122,949**	118,000
	(d)	Other Current Assets	12	**-**	784,430
				11,955,645	14,555,682
		TOTAL		**11,955,645**	14,555,682

Significant Accounting Policies &
The Notes to Accounts 1 to 26 form part of these Financial Statements

As per our Report of even date

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

Kirti D Shah
Proprietor
Membership No 32371

Place : Mumbai
Date : 26th May, 2014

For and on behalf of the Board

Dr. Jimmy Mirchandani
Director

Dr. Rahul Mirchandani
Director

Statement of Profit and Loss for the year ended 31 March 2014

Particulars		Note No.	Year Ended 31 March 2014	Year Ended 31 March 2013
I.	Revenue from Operations	13	**37,796**	11,304,560
II.	Other Income	14	**16,322**	4,498
III.	Total Revenue (I + II)		**54,118**	11,309,058
IV.	Expenses :			
	(a) Cost of Sales (Traded Goods)	15	**235,223**	9,043,610
	(b) Finance Costs	16	**6,833**	29,782
	(c) Amortisation	12	**784,430**	784,432
	(d) Other Expenses	17	**39,540**	175,849
	Total Expenses		**1,066,026**	10,033,673
V.	**Profit Before Tax (III - IV)**		**(1,011,908)**	1,275,385
VI.	**Provision for Taxation**			
	(i) Tax Expense			
	Current Tax		**-**	450,000
			-	450,000
VII.	**Profit after Tax (PAT) - (V - VI)**		**(1,011,908)**	825,385
	Less:- Short Provision for Tax in Earlier Years		**(39,949)**	52,410
VIII.	**Profit / (Loss) for the period**		**(971,959)**	772,975
IX.	**Earnings per Equity Share**	18		
	(1) Basic & Diluted		**(97.20)**	77.30

Significant Accounting Policies &
The Notes to Accounts 1 to 26 form part of these Financial Statements

As per our Report of even date

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

Kirti D Shah
Proprietor
Membership No 32371

Place : Mumbai
Date : 26th May, 2014

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, 2014

(Rupees in Lacs)

Sr. No.	Particulars	2013-14		2012-13	
A)	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax as per Profit and Loss Account		**(10.12)**		12.75
	Adjusted for :				
	Pre-operative Expenses w/off	**7.84**		7.84	
	Finance cost	**0.07**		0.30	
			7.91		8.14
	Operating Profit before Working Capital Changes		**(2.21)**		20.90
	Adjusted for :				
	Trade Receivable	**18.39**		(30.97)	
	Inventories	**-**		90.44	
	Trade Payable	**(0.19)**		(8.75)	
	Other Payable	**(5.92)**		(17.71)	
			12.29		33.00
	Cash Generated from Operations,		**10.08**		53.90
	Net Prior Year Adjustments	**0.40**		(0.52)	
	Taxes Paid	**-**		(4.50)	
			0.40		(5.02)
	Net Cash from Operating Activities		**10.48**		48.87
B)	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Movement in Short Term Loans and Advances		**(0.05)**		0.98
	Net Cash (used in) Investing Activities		**(0.05)**		0.98
C)	**CASH FLOW FROM FINANCIAL ACTIVITIES:**				
	Short Term Borrowings (Net)		**(10.17)**		(62.61)
	Interest Paid		**(0.07)**		(0.30)
	Net Cash (used in) / from financing activities		**(10.24)**		(62.91)
	Net Increase in Cash and Cash Equivalents		**0.19**		(13.05)
	Opening Balance of Cash and Cash Equivalents		**0.07**		13.12
	Closing Balance of Cash and Cash Equivalents		**0.26**		0.07

As per our Report of even date

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

Kirti D Shah
Proprietor
Membership No 32371

Place : Mumbai
Date : 26th May, 2014

For and on behalf of the Board

Dr. Jimmy Mirchandani
Director

Dr. Rahul Mirchandani
Director

Notes to the Financial Statements for the year ended 31st March 2014

1. Corporate Information

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

2. Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards, notified by the Companies Accounting Standards Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention except in case of assets for which provision for impairment is made and revaluation is carried out.

Summary of significant accounting policies

A. (i) Basis of preparations of Financial Statements

The Financial statements are prepared under the historical cost convention, except for certain fixed assets which are revalued, in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

(ii) Use of estimates

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

B. Tangible fixed assets

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

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

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

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

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

C. Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher.

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

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

D. Intangible assets

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

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

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

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

Notes to the Financial Statements for the year ended 31st March, 2014

E. Borrowing Costs

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

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

F. Impairment of tangible and intangible assets

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

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

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

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

G. Inventories

Inventories are valued as follows:

Raw materials and packing materials : Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a first-in-first out basis. Customs duty on imported raw materials (excluding stocks in the bonded warehouse) is treated as part of the cost of the inventories.

Work-in-progress and finished goods : Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

Traded goods : Lower of cost and net realizable value. Cost includes the purchase price and other associated costs directly incurred in bringing the inventory to its present location.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Waste and scrap are not separately valued being insignificant in value

H. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(i) **Sale of products:**

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

(ii) **Interest Income**:

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

Notes to the Financial Statements for the year ended 31st March, 2014

I. Investments

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

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

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

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

J. Retirement benefits

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

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

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

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

K. Foreign currency translation

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

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

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

L. Income tax

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

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

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

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Notes to the Financial Statements for the year ended 31st March, 2014

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

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

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

M. Earnings Per Share (EPS)

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

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

N. Segment reporting

Identification of segments

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

O. Provisions

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

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

P. Contingent liability

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

Q. Cash and cash equivalents

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

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

Notes to the Financial Statements for the year ended 31st March, 2014

3 SHARE CAPITAL

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Authorised Share Capital		
10,000 Equity Shares of Rs. 10/- each	**100,000**	100,000
Total	**100,000**	100,000
Issued, Subscribed and Paidup		
10,000 Equity Shares of Rs.10/- each.	**100,000**	100,000
Total	**100,000**	100,000

3.1 Reconciliation of Number of Shares Outstanding

Particulars	As at 31st March, 2014 No. of Shares	As at 31st March, 2013 No. of Shares
Equity Shares at the beginning of the year	**10,000**	10,000
Equity Shares at the end of the year	**10,000**	10,000

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

Name of the Shareholder	No. of Shares	As at 31st March, 2014 % Held	No. of Shares	As at 31st March, 2013 % Held
(i) Aries Agro Limited	**10,000**	**100.00**	10,000	100.00
	10,000	**100.00**	10,000	100.00

4 RESERVES AND SURPLUS

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Profit & Loss Account		
As per last Balance Sheet	**8,745,186**	7,972,211
Add:- Profit for the year	**(971,959)**	772,975
	7,773,228	7,972,211
Total	**7,773,228**	8,745,186

5 SHORT TERM BORROWINGS

	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Un-Secured Borrowings		
Loan from Directors	**600**	20,000
From Holding Company	**3,550,259**	4,548,279
Security Deposits	**20,000**	20,000
Total	**3,570,859**	4,588,279

Notes to the Financial Statements for the year ended 31st March, 2014

6 TRADE PAYABLES

		As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Creditors for Goods		**-**	-
Creditors for expenses		**435,641**	454,707
	Total	**435,641**	454,707

6.1 There are no Micro and Small Enterprises to whom Company owes dues, which are outstanding for more than 45 days as at 31st March, 2014. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

7 OTHER CURRENT LIABILITIES

		As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Advance/Credits from Customers		**-**	553,726
Statutory Dues		**75,918**	83,783
	Total	**75,918**	637,509

8 SHORT TERM PROVISIONS

		As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Provision for Income Tax		**-**	30,000
	Total	**-**	30,000

9 TRADE RECEIVABLES

		As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
(Unsecured - Considered Good)			
Outstanding for a period exceeding six months (from Due Date of Payment)		**11,806,960**	13,553,141
Others		**-**	93,259
	Total	**11,806,960**	13,646,401

9.1 Trade receivables outstanding for a period of more than 6 months are as follows:-

Particulars		As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
(i) Aries Agro Limited		**11,806,960**	11,648,314
(ii) Others		**-**	1,904,827
	Total	**11,806,960**	13,553,141

10 CASH AND CASH EQUIVALENTS

		As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Balance with Scheduled Banks in Current Account		**25,737**	6,851
	Total	**25,737**	6,851

Notes to the Financial Statements for the year ended 31st March, 2014

11 SHORT TERM LOANS AND ADVANCES

		As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Balances with Income Tax Authorities		**9,949**	-
Deposits		**113,000**	118,000
	Total	**122,949**	118,000

12 OTHER CURRENT ASSETS

		As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Unamortised Expenses			
(a) As per last Balance Sheet		**784,430**	1,568,862
(b) Less :- 1/5th w/off		**784,430**	784,432
	Total	**-**	784,430

13 REVENUE FROM OPERATIONS

		Year ended 31 March 2014 Rupees	Year ended 31 March 2014 Rupees
Sales of Traded Products		**37,796**	11,304,560
	Total	**37,796**	11,304,560

14 OTHER INCOME

		Year ended 31 March 2014 Rupees	Year ended 31 March 2014 Rupees
Other Non-Operating Income			
Misc. / Other Income		**1,144**	3,273
Re-Processing Charges		**15,178**	-
Discount		**-**	1,225
	Total	**16,322**	4,498

15 COST OF SALES (TRADED GOODS)

		Year ended 31 March 2014 Rupees	Year ended 31 March 2014 Rupees
i)	Opening Stock	**-**	9,043,610
	Add : Sales Returns	**37,796**	-
	Equipments Stock Written Off / Scrapped	**197,427**	-
		235,223	9,043,610
	Less : Closing Stock	**-**	-
	Cost of Sales of Traded Goods	**235,223**	9,043,610

Notes to the Financial Statements for the year ended 31st March, 2014

16 FINANCE COSTS

	Year ended 31 March 2014 Rupees	Year ended 31 March 2014 Rupees
Interest Expense	**6,833**	368
Other Borrowing Costs	**-**	29,414
Total	**6,833**	29,782

17 OTHER EXPENSES

	Year ended 31 March 2014 Rupees	Year ended 31 March 2014 Rupees
Selling & Distribution Expenses		
Discount and Rebate	**18**	-
Freight & Delivery Expenses	**-**	1,630
	18	1,630
Other Administration Expenses		
Audit Fees	**16,854**	28,090
General Expenses	**-**	1,242
Legal & Professional Fees	**8,618**	67,562
Rent, Rates & Taxes	**14,050**	77,325
	39,522	174,219
Total	**39,540**	175,849

17.1 Payment to Auditors as :

Particulars	As at 31st March, 2014 Rupees	As at 31st March, 2013 Rupees
(i) Statutory Audit Fees	**16,854**	28,090
(ii) Tax Audit Fees	**-**	16,854
(iii) Taxation Matters	**5,618**	33,708
Total	**22,472**	78,652

18 EARNINGS PER SHARE (EPS)

		Year ended 31 March 2014	Year ended 31 March 2014
i)	Net Profit After Tax (PAT) as per Profit and Loss Account attributable to Equity Shareholders (Rs.)	**(971,959)**	772,975
ii)	Weighted Average number of Equity Shares used as denominator for calculating EPS	**10,000**	10,000
iii)	Basic & Diluted Earnings per Share (Rs.)	**(97.20)**	77.30
iv)	Face Value per Equity Share (Rs.)	**10**	10

Notes to the Financial Statements for the year ended 31st March, 2014

19 RELATED PARTY DISCLOSURES

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

Part - A

Details of Related Parties as per AS - 18

Sr. No.	Nature of Relationship		Name of the Related Party		Remarks	
1	Holding Company	a)	Aries Agro Limited	a)	Date of becoming Subsidiary of Aries Agro Limited is 12th January, 2007 (Incorporation Date)	
2	Key Management Personnel	a)	Dr. Jimmy Mirchandani	a)	Director	
		b)	Dr. Rahul Mirchandani	b)	Director	
3	Relatives of Key Management Personnel		**Name of the Key Management Personnel**		**Name of the Relative**	**Relationship**
		a)	Dr. Jimmy Mirchandani	a)	Late Mrs. Sarasa Mirchandani	Spouse
				b)	Mr. Akshay Mirchandani	Son
				c)	Mr. Amol Mirchandani	Son
				d)	Dr. Rahul Mirchandani	Brother
		b)	Dr. Rahul Mirchandani	a)	Mrs. Nitya Mirchandani	Spouse
				b)	Master Armaan Mirchandani	Son
				c)	Dr. Jimmy Mirchandani	Brother
4	Fellow Subsidiaries	a)	Aries Agro Care Pvt Ltd	a)	A wholly owned Subsidiary of Aries Agro Limited	
		b)	Aries Agro Produce Pvt Ltd	b)	A Subsidiary of Aries Agro Limited	
		c)	Golden Harvest Middle East FZC	c)	A Subsidiary of Aries Agro Limited	
		d)	Amarak Chemicals FZC	d)	A Step Down Subsidiary of Aries Agro Limited	
5	Enterprises over which the Key Management Personnel have significant influence or control	a)	Aries East West Nutrients Pvt Ltd			
		b)	Aries Marketing Ltd			
		c)	Blossoms International Ltd			
		d)	Sreeni Agro Chemicals Ltd			

Part - B

Details of Transactions with Related Parties

Sr. No.	Category	Nature of Service	Year ended 31 March 2014	Year ended 31 March 2014
1	Holding Company	Finance - Loans / Payments Given	**1,607,597**	8,188,449
		Finance - Loans / Payments Received	**609,576**	1,957,410
		Sale of Goods	**37,796**	11,648,314
2.	Key Management Personnel	Finance - Loans / Payments Received	**600**	20,000

Part - C

Balance Outstanding with Related Parties

Category	Nature of Outstanding	Name of the Party	Year ended 31 March 2014	Year ended 31 March 2014
Holding Company	Unsecured Loans	Aries Agro Limited	**3,550,259**	4,548,279
Key Management Personnel		Dr. Jimmy Mirchandani	**600**	20,000
Holding Company	Trade receivables	Aries Agro Limited	**11,806,960**	11,769,164

Notes to the Financial Statements for the year ended 31st March, 2014

20. 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 considered reasonably necessary.

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

21. Goods has been returned to various branches of the company and were beyond repairs. Cost of bringing the goods to the head office was higher than net realization value. Hence the defective goods has been treated as scrap.

22. Foreign Exchange Earnings & Outflow:

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

23. Micro And Small Scale Business Entities

There are no micro and small Enterprises to whom company owes dues, which are outstanding for more than 45 days as at 31st March, 2014. This Information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

24. Segment Reporting

The Company has only one business segment “Agricultural Equipments” as its primary segment and hence disclosure of segment-wise information is not required under Accounting Standard 17 ‘Segmental Information’ notified pursuant to the Companies (Accounting Standard) Rules, 2006 (as amended).

25. In absence of virtual certainty that sufficient future taxable income will be available for setoff of losses incurred by the Company, the Company has not taken credit for Deferred Tax Assets.

26. The previous years figures are rearranged or regrouped wherever is necessary.

As per our Report of even date

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

Kirti D Shah
Proprietor
Membership No 32371

Place : Mumbai
Date : 26th May, 2014

For and on behalf of the Board

Dr. Jimmy Mirchandani
Director

Dr. Rahul Mirchandani
Director

NOTICE OF 6TH ANNUAL GENERAL MEETING

Notice is hereby given that the Sixth Annual General Meeting of the Members of **ARIES AGRO PRODUCE PRIVATE LIMITED** will be held on the Monday, 22nd September, 2014 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, 2014 and Statement of Profit and Loss for the year ended as on that date together with the Reports of the Board of Directors and Auditors thereon.

2. To appoint Director in place of Dr. Rahul Mirchandani who retires by rotation and being eligible offers himself for re-appointment.

To appoint M/s. Kirti D. Shah & Associates, Chartered Accountants, Mumbai, as the Auditors of the Company, for a term of 5(Five) years to hold office from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting to be held in the year 2019 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: 26th May, 2014

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 Sixth Annual Report together with Audited Statement of Accounts of the Company for the period ended 31st March, 2014.

1. FINANCIAL RESULTS :

The Company has incurred a loss of Rs. 24,084/- during the year under review.

2. STATUS OF THE PROJECT :

The operations of the Company has not yet commenced. The Company has entered into Memorandum of Understanding with the Government of Gujarat for Corporate Farming and Food Processing operations which is yet to commence.

3. DIVIDEND :

Since the Company has not commenced commercial production during the period under review, the Company has not made any profits. Hence, your Directors have not recommended any dividend for the period under review.

4. DEPOSITS :

The Company has not accepted any Fixed Deposits from the Public.

5. PARTICULARS OF EMPLOYEES :

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 accordance with the Companies Act, 1956 and the Articles of Association of the Company, Dr. Rahul Mirchandani retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Accordingly his re-appointment forms part of the notice of ensuing AGM.

8. DIRECTORS' REPLY TO OBSERVATIONS / REMARKS MADE IN AUDITORS' REPORT (Para (x) of the Annexure to the Auditors' Report)

The Auditors have in their Audit Report commented that the Company has made cash losses during the year and the accumulated losses are in excess of 50% of the Paid Up Capital and Free Reserves.

To this the Directors wish to inform that the operations of the Company has not yet commenced and the Cash losses and Accumulated losses are due to the same reason.

9. 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.

10. 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 Pre-Operative Expenses 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.

11. ACKNOWLEDGEMENT :

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

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

Dr. Jimmy Mirchandani
Director

Dr. Rahul Mirchandani
Director

Place : Mumbai
Date : 26th May, 2014

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

ARIES AGRO PRODUCE PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **ARIES AGRO PRODUCE PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act , 1956 (The Act) read with the general Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 Company'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 Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;

(b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, 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 account as required by law have been kept by the Company so far as it appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from the branches not visited by us].
- **(c)** The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account [and with the returns received from the branches not visited by us].
- **(d)** In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- **(e)** On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

Kirti D. Shah
Proprietor
Membership No. 032371

Place : Mumbai
Date : 26th May, 2014

ANNEXURE TO THE AUDITORS' REPORT

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

The Annexure referred to in our audit report to the members of Aries Agro Produce Private Limited for the year ended 31st March, 2014. We report that:

i. a. The company does not have any Fixed assets hence Clause (i) of the said order is not applicable to the Company.

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 dose not arise.

iii. a. The company has taken loan from one body corporate covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs. 65,460/-(Previous Year Rs. 65,460/-) and the year end balance of such loans amounted to Rs. 65,460/- (Previous Year Rs. 65,460/-). Other than the above, the company has not granted any loans, secured or unsecured, to the companies, firms or parties covered in the register maintained under section 301 of the Act.

b. In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms as other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.

c. The Company is regular in repaying the principal amounts as situated and has been regular in the payment of interest

d. The company has not granted any loans during the year from companies, firms or parties covered in the register maintained under Section 301 of the Companies Act, 1956.

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 of the Companies Act, 1956 have been so entered.

b. The company has not entered into any transaction exceed in value of Rupees Five Lacs. Hence the question whether the transactions made in pursuance of contracts or arrangements entered in the Register maintained under section 301 of the companies Act, 1956 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 or not does not arise

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 Rs.50 lacs as at the commencement of the financial year concerned or average annual turnover does not exceed Rs. 5 crores for a period of three consecutive financial year immediately preceding the financial year concerned. Accordingly applicability of internal audit dose not arise.

viii. The provisions of maintenance of the cost records prescribed by the Central Government under section 209 (1) (d) of the Act are not applicable to the company.

ix. a. The company where applicable is 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.

b. There is no disputed liability in respect of tax dues on account of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess etc.

x. The company was incorporated in the year 2008 and has incurred cash losses of Rs. 0.24 Lacs during the year and has incurred cash loss of Rs. 0.23 Lacs during the F.Y. 2012-13. The accumulated loss as on 31st March, 2014 was Rs. 2.53 Lacs. ***Accumulated losses are in excess of 50 % of its paid up capital and free reserves.***

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 issue of debentures.

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. Therefore, the clause (xiii) of paragraph 4 of the order is not applicable to the company.

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 monies by way of public issues during the year.

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
Firm Registration No.:- 115133W
Chartered Accountants

Kirti D. Shah
Proprietor
Membership No. 32371

Place: Mumbai
Date: 26th May, 2014.

Balance Sheet as at 31st March, 2014

Particulars			Note No.	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
I.	**EQUITY AND LIABILITIES**				
(1)	**Shareholder's Funds**				
	(a)	Share Capital	3	**100,000**	100,000
	(b)	Reserves and Surplus	4	**(253,168)**	(229,083)
				(153,168)	(129,083)
(2)	**Current Liabilities**				
	(a)	Short Term Borrowings	5	**65,460**	65,460
	(b)	Trade Payables	6	**86,411**	69,556
	(c)	Other Current Liabilities	7	**2,520**	1,020
				154,390	136,036
		TOTAL		**1,222**	6,953
II.	**ASSETS**				
(1)	**Current Assets**				
	(a)	Cash & Cash Equivalents	8	**1,222**	6,953
		TOTAL		**1,222**	6,953
	Significant Accounting Policies &				
	The Notes to Accounts 1 to 17 form part of these Financial Statements				

As per our report of even date

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

Kirti D. Shah
Proprietor
Membership No 32371

Place : Mumbai
Date:- 26th May, 2014

For and on behalf of the Board

Dr. Jimmy Mirchandani
Director

Dr. Rahul Mirchandani
Director

Statement of Profit and Loss for the year ended 31st March 2014

Particulars			Note No.	Year Ended 31 March 2014 Rupees	Year Ended 31 March 2013 Rupees
I.	Expenses :				
	(a)	Other Expenses	9	**24,084**	22,846
		Total Expenses		**24,084**	22,846
II.	**Profit Before Tax**			**(24,084)**	(22,846)
III.	**Profit / (Loss) for the period (PAT)**			**(24,084)**	(22,846)
IV.	**Earnings per Equity Share**				
	(1)	Basic & Diluted	10	**(2.41)**	(2.28)
	Significant Accounting Policies &				
	The Notes to Accounts 1 to 17 form part of these Financial Statements				

As per our report of even date

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

Kirti D. Shah
Proprietor
Membership No 32371

Place : Mumbai
Date:- 26th May, 2014.

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, 2014

(Rupees in Lacs)

Sr. No.	Particulars	2013-14		2012-13	
A)	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax as per Profit and Loss Account		**(0.24)**		(0.23)
	Operating Profit before Working Capital Changes		**(0.24)**		(0.23)
	Adjusted for :				
	Trade Payable	**0.17**		0.17	
	Other Payable	**0.01**		0.01	
			0.18		0.17
	Cash Generated from Operations,		**(0.06)**		(0.05)
	Net Cash from Operating Activities		**(0.06)**		0.05
B)	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Net Cash (used in) Investing Activities		**-**		-
C)	**CASH FLOW FROM FINANCIAL ACTIVITIES:**				
	Short Term Borrowings (Net)		**(0.0)**		(0.00)
	Net Cash (used in) / from financing activities		**(0.0)**		(0.00)
	Net Increase in Cash and Cash Equivalents		**(0.06)**		(0.05)
	Opening Balance of Cash and Cash Equivalents		**0.07**		0.12
	Closing Balance of Cash and Cash Equivalents		**0.01**		0.07

As per our report of even date

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

Kirti D. Shah
Proprietor
Membership No 32371

Place : Mumbai
Date:- 26th May, 2014.

For and on behalf of the Board

Dr. Jimmy Mirchandani
Director

Dr. Rahul Mirchandani
Director

Notes to the Financial Statements for the year ended 31st March 2014

1. Corporate Information

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

2. Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards, notified by the Companies Accounting Standards Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention except in case of assets for which provision for impairment is made and revaluation is carried out.

Summary of significant accounting policies

A. (i) Basis of preparations of Financial Statements

The Financial statements are prepared under the historical cost convention, except for certain fixed assets which are revalued, in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

(ii) Use of estimates

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

B. Tangible fixed assets

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

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

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

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

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

C. Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher.

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

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

D. Intangible assets

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

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

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

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

E. Borrowing Costs

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

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

Notes to the Financial Statements for the year ended 31st March 2014

F. Impairment of tangible and intangible assets

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

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

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

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

G. Inventories

Inventories are valued as follows:

Raw materials and packing materials : Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a first-in-first out basis. Customs duty on imported raw materials (excluding stocks in the bonded warehouse) is treated as part of the cost of the inventories.

Work-in-progress and finished goods : Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

Traded goods : Lower of cost and net realizable value. Cost includes the purchase price and other associated costs directly incurred in bringing the inventory to its present location.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Waste and scrap are not separately valued being insignificant in value

H. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(i) **Sale of products:**

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

(ii) **Interest Income**:

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

I. Investments

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

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

Notes to the Financial Statements for the year ended 31st March 2014

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

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

J. Retirement benefits

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

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

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

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

K. Foreign currency translation

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

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

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

L. Income tax

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

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

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

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

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

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the

Notes to the Financial Statements for the year ended 31st March 2014

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

M. Earnings Per Share (EPS)

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

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

There is no reasonable certainty of future prospects of the company for profit earning hence deferred tax is not provided in the books of accounts.

N. Segment reporting

Identification of segments

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

O. Provisions

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

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

P. Contingent liability

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

Q. Cash and cash equivalents

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

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

3. SHARE CAPITAL

		As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Authorised Share Capital			
5,00,000 Equity Shares of Rs. 10/- each		**5,000,000**	5,000,000
	Total	**5,000,000**	5,000,000
Issued, Subscribed and Paidup			
10,000 Equity Shares of Rs.10/- each.		**100,000**	100,000
	Total	**100,000**	100,000

Notes to the Financial Statements for the year ended 31st March 2014

3.1 **Reconciliation of Number of Shares Outstanding**

Particulars	As at 31st March, 2014 Rupees No. of Shares	As at 31st March, 2013 Rupees No. of Shares
Equity Shares at the beginning of the year	10,000	10,000
Equity Shares at the end of the year	10,000	10,000

3.2 **List of Shareholder's holding more than 5 percent of Shares**

	Name of the Shareholder	No. of Shares	As at 31st March, 2014 % Held	No. of Shares	As at 31st March, 2013 % Held
(i)	Dr. Jimmy Mirchandani	1,300	13%	1,300	13%
(ii)	Dr. Rahul Mirchandani	1,200	12%	1,200	12%
(iii)	Aries Agro Ltd	7,500	75%	7,500	75%
		10,000	100%	10,000	100%

4 **RESERVES AND SURPLUS**

		As at 31st March, 2014 Rupees	As at 31st March, 2013 Rupees
As per last Balance Sheet		(229,083)	(206,237)
Add:- Profit /(Loss) as per Profit & Loss Account		(24,084)	(22,846)
	Total	(253,168)	(229,083)

5 **SHORT TERM BORROWINGS**

		As at 31st March, 2014 Rupees	As at 31st March, 2013 Rupees
Un-Secured Borrowings			
Loan from Holding Company			
Aries Agro Limited		65,460	65,460
	Total	65,460	65,460

6 **TRADE PAYABLES**

		As at 31st March, 2014 Rupees	As at 31st March, 2013 Rupees
Creditors for Expenses		86,411	69,556
	Total	86,411	69,556

7 **OTHER CURRENT LIABILITIES**

		As at 31st March, 2014 Rupees	As at 31st March, 2013 Rupees
Dues to Directors		2,520	1,020
	Total	2,520	1,020

8 **CASH & CASH EQUIVALENTS**

		As at 31st March, 2014 Rupees	As at 31st March, 2013 Rupees
Balance with Scheduled Banks in Current Account		1,222	6,953
	Total	1,222	6,953

Notes to the Financial Statements for the year ended 31st March 2014

9 OTHER EXPENSES

	Year ended 31 March 2014 Rupees	Year ended 31 March 2013 Rupees
Other Administration Expenses		
Audit Fees	**11,236**	11,236
Legal & Professional Fees	**5,618**	5,618
Rent, Rates & Taxes	**1,500**	1,020
Other Expenses	**5,730**	4,972
Total	**24,084**	22,846

9.1 Payment to Auditors as :

Particulars	As at 31st March, 2014 Rupees	As at 31st March, 2013 Rupees
Statutory Audit Fees	**11,236**	11,236
Taxation Matters	**5,618**	5,618
Total	**16,854**	16,854

10 EARNINGS PER SHARE (EPS)

		Year ended 31 March 2014	Year ended 31 March 2013
i)	Net Profit After Tax (PAT) as per Profit and Loss Account attributable to Equity Shareholders (Rs.)	**(24,084)**	(22,846)
ii)	Weighted Average number of Equity Shares used as denominator for calculating EPS	**10,000**	10,000
iii)	Basic & Diluted Earnings per Share (Rs.)	**(2.41)**	(2.28)
iv)	Face Value per Equity Share (Rs.)	**10**	10

11 RELATED PARTY DISCLOSURES

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

Part - A

Details of Related Parties as per AS - 18

Sr. No.	Nature of Relationship		Name of the Related Party		Remarks	
1	Holding Company	a)	Aries Agro Limited	a)	Date of becoming Subsidiary of Aries Agro Limited is 20th June, 2008 (Incorporation Date)	
2	Key Management Personnel	a)	Dr. Jimmy Mirchandani	a)	Director	
		b)	Dr. Rahul Mirchandani	b)	Director	
3	Relatives of Key Management Personnel		**Name of the Key Management Personnel**		**Name of the Relative**	**Relationship**
		a)	Dr. Jimmy Mirchandani	a)	Late Mrs. Sarasa Mirchandani	Spouse
				b)	Mr. Akshay Mirchandani	Son
				c)	Mr. Amol Mirchandani	Son
				d)	Dr. Rahul Mirchandani	Brother
		b)	Dr. Rahul Mirchandani	a)	Mrs. Nitya Mirchandani	Spouse
				b)	Master Armaan Mirchandani	Son
				c)	Dr. Jimmy Mirchandani	Brother

Notes to the Financial Statements for the year ended 31st March, 2014

4	Fellow Subsidiaries	a)	Aries Agro Care Pvt Ltd	a)	A wholly owned Subsidiary of Aries Agro Limited
		b)	Aries Agro Equipments Pvt Ltd	b)	A wholly owned Subsidiary of Aries Agro Limited
		c)	Golden Harvest Middle East FZC	c)	A Subsidiary of Aries Agro Limited
		d)	Amarak Chemicals FZC	d)	A Step Down Subsidiary of Aries Agro Limited
5	Enterprises over which the Key Management Personnel have significant influence or control	a)	Aries East West Nutrients Pvt Ltd		
		b)	Aries Marketing Ltd		
		c)	Blossoms International Ltd		
		d)	Sreeni Agro Chemicals Ltd		

Part - B

Details of Transactions with Related Parties

Sr. No.	Category	Nature of Service	Year Ended 31 March 2014 Rupees	Year Ended 31 March 2013 Rupees
1	Key Management Personnel	Finance - Loans / Payments Received	**2,520**	1,020

Part - C

Balance Outstanding with Related Parties

Category	Nature of Outstanding	Name of the Party	As at 31 March 2014 Rupees	As at 31 March 2013 Rupees
Holding Company	Unsecured Loans	Aries Agro Limited	**65,460**	65,460
Dues to Directors	Key Management Personnel	Dr. Jimmy Mirchandani	**2,520**	1,020

12. 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 and Loans and Advances are subject to confirmation. .

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

14. Foreign Exchange Earnings & Outflow:

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

15. Micro And Small Scale Business Entities

There are no micro and small Enterprises to whom company owes dues, which are outstanding for more than 45 days as at 31st March, 2014. This Information as required to be disclosed under the micro, small and medium enterprises development Act , 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

16. In absence of virtual certainty that sufficient future taxable income will be available for

Setoff of losses incurred by the company, the company has not taken credit for Deferred tax assets.

17. Previous year's figures have been regrouped wherever necessary so as to make them comparable with the current year.

As per our report of even date

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

Kirti D. Shah
Proprietor
Membership No 32371

Place : Mumbai
Date:- 26th May, 2014

For and on behalf of the Board

Dr. Jimmy Mirchandani
Director

Dr. Rahul Mirchandani
Director

aries agro limited

44th ANNUAL GENERAL MEETING

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

ATTENDANCE SLIP

Please complete this attendance slip and hand over at the entrance of the Meeting Hall

L.F. No(s) / DP ID & Client ID____

NAME OF THE SHAREHOLDER____

PROXY____

No. of Shares held : ____

I / We hereby record our presence at the **Forty Forth Annual General Meeting** held on Friday, the **26th September, 2014** at 10.00 a.m. at The Chembur Gymkhana, 16th Road, Chembur, Mumbai – 400 071.

SIGNATURE OF THE SHAREHOLDER / PROXY*____________________________

*Strike out whichever is not applicable

aries agro limited

44th ANNUAL GENERAL MEETING

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

PROXY FORM

I / We ____

of ________________________________ being the Member / Members of ARIES AGRO LIMITED, MUMBAI, hereby appoint

Mr.____

of ________________________ or failing him Mr.________________________________

of ________________________ as my / our proxy to vote for me / us on my / our behalf, at the **Forty Forth Annual General Meeting** of the Company to be held on Friday**, the 26th September, 2014** and at any adjournment thereof.

Affix
Re.1/-
Revenue
Stamp

Signed this ________________day of ________________, 2014

Annual Strategy meet discussions
Indian School of Business, Hyderabad

New product launch at Indian School of Business - Hyderabad

National volunteering week in association with CII's India
@ 75 -Farming best practices discussions with school children.

National volunteering week in association with CII's India
@ 75 - Farming best practices discussions with women farmers.

Annual Dealers meet Andhra Pradesh & Bellary

Annual Distributors Meet - Eastern Region

Signing of MOU for marketing in Barbados at the Commonwealth Business Forum - Colombo

Hyderabad Factory installed with Solar Panels for Captive Power Generation

Technical Training and Farmers meeting

BOOK POST

If undelivered please return to :

aries agro limited

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Govandi (East), Mumbai 400 043.
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Email : investorrelations@ariesagro.com