

# 50TH

## ANNUAL REPORT 2019-20

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## Board Of Directors



Prof. R. S. S. Mani  
Independent Director

Dr. Jimmy Mirchandani  
Director

Dr. Rahul Mirchandani  
Chairman & Managing Director

Mr. B. V. Dholakia  
Independent Director

Mr. C. B. Ohriya  
Independent Director

Mrs. Nilaya Mirchandani  
Director



The Aries Family at the 50<sup>th</sup> Foundation Day  
Celebrations in Mumbai, 27 Nov. 2019

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 aries agro limited

[www.ariesagro.com](http://www.ariesagro.com)



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## Aries Production Facilities



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## Aries Production Facilities



## Annadanam

On 27<sup>th</sup> Nov 2019, our 50th Foundation Day, we conducted one of the biggest annadanams (food drive) under our CSR initiative. In over 270 locations across India, nearly 200,000 students, elderly and underprivileged were provided with a nutritious meal cooked with ingredients by Aries farmers.

Through this, we took our lab to the land, and now to food plates across India





## #arieseverywhere

6,400+ Registered Distributors & Dealers

86,000+ Dealers' counters serviced

1,99,000+ Number of villages covered

### Maharashtra

Mumbai  
Nashik  
Nagpur  
Solapur

### Gujarat

Ahmedabad  
Chhatral

### Uttar Pradesh

Lucknow  
Ghaziabad

### Karnataka

Bangalore  
Nipani

### Punjab

Jalandhar  
Bathinda

### Rajasthan

Jaipur  
Sri Ganganagar

### Odisha

Bhubaneshwar

### Andhra Pradesh

Vijayawada

### West Bengal

Kolkata

### Telangana

Pashamylaram

### Assam

Guwahati

### Madhya Pradesh

Indore

### Bihar

Patna

### Chhattisgarh

Raipur

### Tamilnadu

Coimbatore

### Jharkhand

Ranchi

### Haryana

Hissar

### Uttarakhand

Rudrapur

### U.A.E.

Fujairah  
Sharjah

## Display Contest



Aries smart product placement helps increase their sales, brand awareness, and draw in customers.

The utilitarian aspect relates to the actual needs of the farmer and is addressed by Extension Teams. Products are arranged in creative ways to create and contextualize aesthetic, symbolic and cultural perceptions.

Our exciting packaging only strengthens our competitive edge.



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## OUR HISTORY OF CREATING MILESTONES

When Dr. T.B. Mirchandani and Bala Mirchandani founded Aries Agro in 1969, they had their sights on building an organisation of values and quality. This is the story of the Aries family through the first five decades.



# 1969



- Dr. T. B. Mirchandani & Bala Mirchandani founded Aries with a small team at Kakad Chambers, Worli
- Incorporated as Aries Agro-Vet Industries Pvt Ltd.
- Agro-vet products Poultrymin, Cattlemin launched

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- Launch of animal health products
- Launch of Aries Flash
- Commercial Production starts 12 Jan 1970
- Launch of Prot-o-liv and Boon-o-milk



- Agromin launched
- First ever Introduction of

›1970

›1975

›1974

- SSI Unit Registration certification in Mumbai
- First company to receive manufacturing permission for agricultural chelates



- Aries awarded manufacturing license for Plantomycin
- Deonar HO foundation stone laid in October

- Aries House inaugurated 10 Jan
- New R&D block inaugurated in Mumbai



›1980

›1983

›1981



Awarded Transworld  
Seven Star Gold Medal for  
contribution to White and  
Green Revolution



Dr. Abhinav with Mr. Moran Dipakumar, (left) Gopal Singh, (middle) Shri. The Moran Tea Company, Daplaul, and Dr. Chandra. The group consists of a number of people from the Moran Tea Company who are working in collaboration with Aries.

- Moran Tea Co visits Aries
- Agromin aerial spray in Haryana
- Aries Hyderabad unit inaugurated in June
- Aries Kanpur unit inaugurated in September

f metal chelates in India

# >1976



- Boon-o-milk honoured by DDB, Moncompu, Kerala
- First Agromin spray on Cotton, Surat
- Aries Agromin greets planters with 20% more tea yield
- First Aries Adarshgaon established - Amlon, Punjab & Daboha Bhand, MP
- Aries Publicity & Awareness vans launched

# >1978

# >1979



- Plantomycin and Agronaa launched



- Indian Micro-Fertilizers Manufacturers Association (IMMA) founded by Dr. T.B. Mirchandani
- Launch of Aries-branded consumer products
- Chelated nutrient formulations introduced in Nepal

# >1985

Bengaluru factory inaugurated 22 March  
Registration for manufacturing under FCO

# >1986

# >1987



Aries Agro selected by the ILO to exemplify ideal labour relations in the small scale sector in India

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Aries becomes first manufacturer to get ISI Mark on veterinary products



- Gain - Aid launched
- Aries enters veterinary products

>1990

>1992

>1991

*Presented to  
Dr. F. D. Mirchandani  
For Outstanding Service*



- Fishmin launched - Aries forays into fisheries
- Demise of Aries Founder and Mother Bala Mirchandani

- Aries launches corporate website
- Mn-Sulf & Zn-Sulf launched (twins in Aries product family)

- ISO 9001:2000 certification received
- Installed capacity increased from 120 to 21600TPA
- Sharjah factory inaugurated
- Ahmedabad factory established
- Start of Medak factory in Andhra Pradesh

>1999

>2007

>2004

Golden Harvest Middle East FZC setup  
The CII-Young Indians-Aries Agro Limited National Farmers Network was launched at CII conference - 'Specialised Agri Technology: Growing Farmer Wealth'

- A
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- A
- F

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pharmaceuticals

Aries Flash celebrates 20 years of being in house journal and mouthpiece



25<sup>th</sup> Anniversary

- Aries Agro becomes Public Limited
- Awarded National Unity Award for Outstanding Services, Achievement & Contribution

Ludhiana manufacturing unit open

OOTPA to

des

Hon. CM Shri Bhupinder Singh Hooda inaugurates AgroMax



Aries listed on NSE & BSE  
Best listing ever on BSE  
Aries signs MoU with DST, Govt for slow-release  
Aries celebrates  
Aries wins Emerging India Awards 2008 (FMCG, Food & Agri-business)

- Aries Agro farmers meet Barack Obama, President USA at US-India Agri Expo held in Mumbai and showcase agri-innovation
- Trailblazer brand innovator award for 'Best Brand for Agricultural Inputs category' By Milagro
- Inauguration of Fujairah factory by His Highness Sheikh Mohammed Bin Hamad Al Sharqi, Crown Prince of Fujairah

- Aries launches fleet of 100 Krishi Vigyaan Vaahans for last mile sales promotion
- Aries features in top 100 Best Employers of India by Hewitt Associates and Business Today in their 2004 survey.

- Awarded Innovative 100-Certificate of excellence - By Inc India
- Hyderabad Facctory installed with solar for captive power generation
- Introduction of Mobile soil testing kits for mass soil-testing camps

›2010

›2013

›2012

Certificate of Excellence by Inc 500 magazine for exemplary growth

- CIC Product launch Sri Lanka
- Aries signs MOU for marketing in Barbados at the Commonwealth Business Forum
- Recognized as partners of Maharashtra Cotton Revolution

- First Agro-based company in the country to Receive Limca Book of records for Flash Sale in agribusiness
- SKOCH Gold Award - Highest Independent Honour in India for Consistent Work in Serving Indian Farmers
- SKOCH Order of Merit Award for Top 100 SMEs in India
- Aries invited to Rashtrapati Bhavan
- Aries invited to join Double Farm Income Committee of NITI Aayog - Champions of Change

**Limca**  
Book of Records

- Aries Extension App launched for
- Nepal Distributors JV & Factory
- Setup of Hydroponics Farm at A
- Vijayawada Packing Unit ground
- Aries Well on Wheels CSR progr
- TechTransfer MOU with the worl
- University, Wageningen Universi
- First Drone trial for spray of nutr

›2017

›20

›2018



- Certificate of Excellence in sustainable environmental initiatives by the Bombay Chamber of Commerce, First National Crop Nutrition Summit
- Aries Quality Management Systems audited & certified ISO 9001:2015 with zero non-compliance report
- Champions of Rural Markets Award 2018-19 by The Economic Times

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- Farmers Call Center in Vijayawada set up
- Recognised as India's 500 Fastest Growing Midsize enterprises
- Tracemin launched
- Trials of Aries Products commenced in Brunei and Pakistan

r panels

or

›2014

›2015

›2016



- Awarded Innovative 100 certificate of excellence amongst 30 most innovative CEOs - by Inc India
- Aries launches products in Brazil and Vietnam

- First ever Agribusiness flash sale at BSE Mumbai giving record booking of 201.78 Cr in 1 hour
- Launch of new Aries website
- Aries Agro Global App launched for Farmers

r Market Development

Setup

aries Corp HQ

breaking

am initiated

d's best agricultural

ty & Research Netherlands

ients

- Celebration of 50th Foundation Day through Annadanam - biggest food donation & distribution drives at over 270 locations across India
- Celebrating Golden Jubilee event on 27 Nov 2019
- Foray into pesticides industry
- Launch new product lines

18

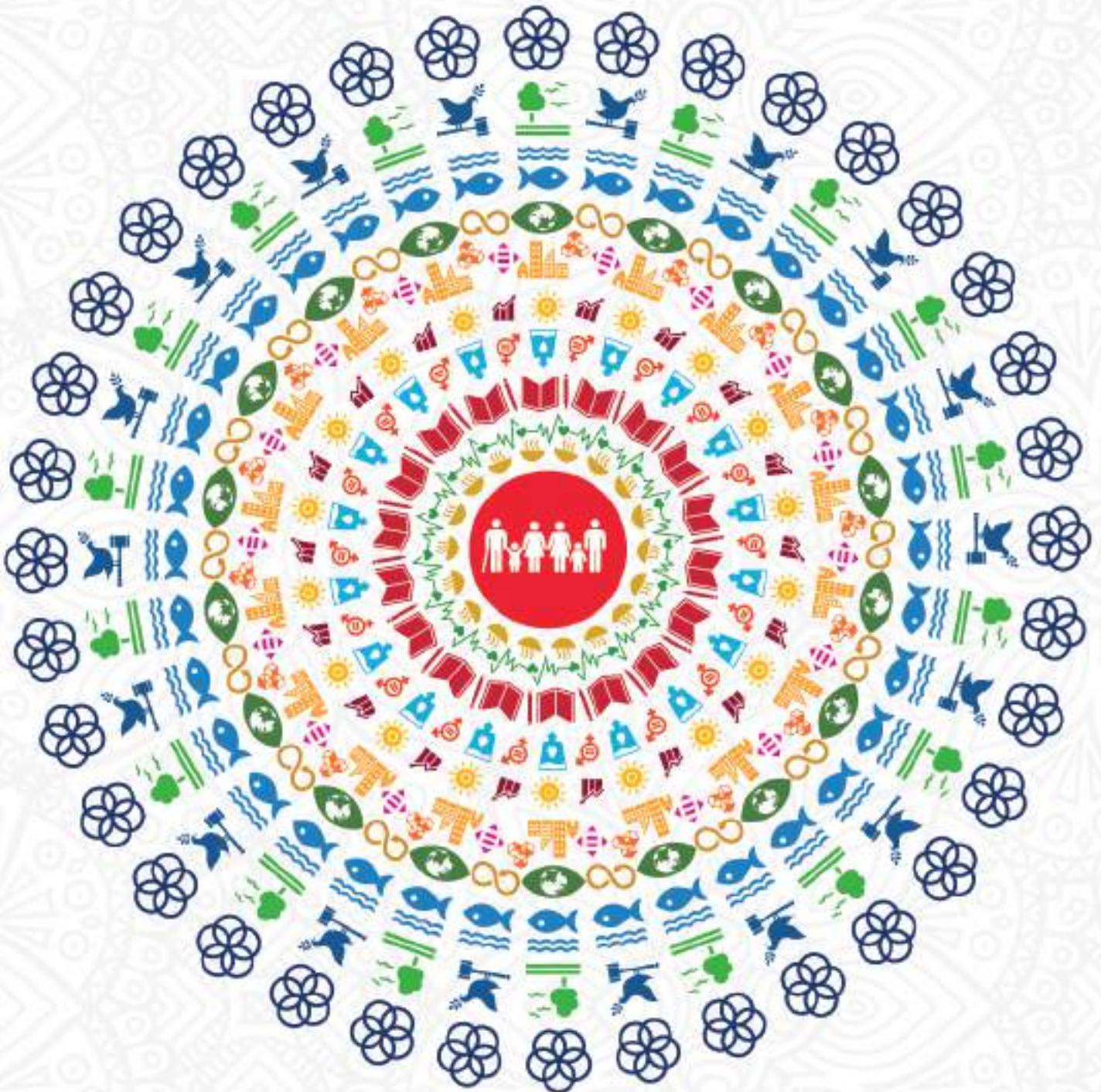
›2020

›2019

- Recognized by Insight Success magazine as 10 Most Recommended Agritech companies in India
- Aries awarded ISO 9001:2015
- Aries Sales app launched for all India Sales Staff
- Exploring new markets in Qatar, Africa, Canada and Sri Lanka

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## 50<sup>th</sup> Annual Report 2019 - 2020

### BOARD OF DIRECTORS

**Dr. Rahul Mirchandani** Chairman & Managing Director

**Dr. Jimmy Mirchandani**  
**Mrs. Nitya Mirchandani** Non Executive-Non Independent Directors

**Prof. R. S. S. Mani,**  
**Mr. C. B. Chhaya**  
**Mr. B. V. Dholakia** Independent Directors

### AUDIT COMMITTEE

**Mr. B. V. Dholakia** Chairman  
**Prof. R. S. S. Mani,**  
**Mrs. Nitya Mirchandani**  
**Mr. C. B. Chhaya**

### STAKEHOLDERS RELATIONSHIP COMMITTEE

**Mr. C. B. Chhaya** - Chairman  
**Dr. Rahul Mirchandani**  
**Mrs. Nitya Mirchandani**

### NOMINATION & REMUNERATION COMMITTEE

**Mr. C. B. Chhaya** - Chairman  
**Prof. R. S. S. Mani,**  
**Mr. B. V. Dholakia**

### TREASURY COMMITTEE

**Dr. Rahul Mirchandani**, Chairman  
**Mr. C. B. Chhaya**  
**Mrs. Nitya Mirchandani**

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

**Dr. Rahul Mirchandani**, Chairman  
**Mr. B. V. Dholakia**  
**Mrs. Nitya Mirchandani**

### CHIEF FINANCIAL OFFICER

**Mr. S. Ramamurthy** - upto 05.11.2019  
**Mr. Vivek K. Joshi** - wef-09.12.2019

### COMPANY SECRETARY AND SENIOR V.P.(Legal) & COMPLIANCE OFFICER

**Mr. Qaiser P. Ansari**

### STATUTORY AUDITOR

**M/s Sandeep Sheth and Associates**

### INTERNAL AUDITOR

**M/s K. Narayanan & Associates**

### COST AUDITOR

**M/s R. Nanabhoy & Co.**

### SECRETARIAL AUDITOR

**Mr. A. Sekar**

### BANKERS

**AXIS Bank Ltd.**  
**ICICI Bank Ltd.**  
**HDFC Bank Limited**  
**Canara Bank**

### BRANCHES/STOCK LOCATIONS

**Ahmedabad**, Gujarat  
**Bangalore**, Karnataka  
**Bhatinda**-Punjab  
**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  
**Sholapur**, Maharashtra  
**Sriganganagar**, Rajasthan  
**Vijayawada**, Andhra Pradesh

### MANUFACTURING LOCATIONS

Mumbai  
Hyderabad  
Chhatral  
Lucknow  
Fujairah, UAE(Associate Company)

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**FINANCIAL HIGHLIGHTS - STANDALONE**

(Rupees in Lakhs unless stated otherwise)

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16
Revenue from Operations (Gross)	<b>37,150.08</b>	32,030.91	31,988.68	27,719.13	23,461.58
Revenue from Operations (Net of Discounts / Rebates)	<b>29,614.46</b>	26,531.65	26,449.99	22,964.73	21,283.46
Total Income	<b>30,830.82</b>	27,283.07	26,860.98	23,117.35	21,426.05
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	<b>5,397.35</b>	5,254.86	4,870.58	4,139.06	3,287.68
EBITDA %	<b>18.23</b>	19.81	18.41	18.02	15.45
Profit Before Depreciation and Tax	<b>2,845.24</b>	2,514.66	2,399.10	2,019.66	1,216.02
Profit Before Depreciation and Tax %	<b>9.61</b>	9.48	9.07	8.79	5.71
Profit Before Tax (PBT)	<b>2,308.80</b>	2,273.98	2,177.29	1,834.36	1,040.39
PBT %	<b>7.80</b>	8.57	8.23	7.99	4.89
Profit for the Year (PAT)	<b>1,561.07</b>	1,489.80	1,414.89	1,184.35	639.68
PAT %	<b>5.27</b>	5.62	5.35	5.16	3.01
Equity Dividend %	<b>5.00</b>	18.00	23.00	20.00	15.00
Dividend Payout	<b>0.04</b>	0.16	0.21	0.22	0.30
Net Worth	<b>16,817.20</b>	15,679.80	14,619.29	13,510.21	12,568.24
Gross Fixed Assets	<b>8,632.58</b>	7,225.69	6,582.70	5,436.16	5,414.16
Net Fixed Assets	<b>4,796.07</b>	3,860.43	3,404.92	2,480.03	2,577.40
Total Assets	<b>45,446.58</b>	42,492.22	38,501.69	31,824.53	29,904.20
Market Capitalisation	<b>5,201.74</b>	11,281.26	22,920.15	20,117.71	11,716.91
Number of Employees	<b>922</b>	924	868	822	748

**KEY INDICATORS - STANDALONE**

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16
Earnings Per Share - Rs. (Excluding Exceptional Items)	<b>12.00</b>	11.46	10.88	9.11	4.92
Turnover Per Share - Rs.	<b>227.73</b>	204.02	203.39	176.59	163.66
Book Value Per Share - Rs.	<b>129.32</b>	120.57	112.42	103.89	96.65
Total Debt	<b>15,024.05</b>	16,130.53	14,908.03	11,167.87	11,369.26
Debt : Equity Ratio	<b>0.89</b>	1.03	1.02	0.83	0.90
EBITDA / Gross Turnover %	<b>14.53</b>	16.41	15.23	14.93	14.01
Net Profit Margin %	<b>5.27</b>	5.62	5.35	5.16	3.01
RONW %	<b>9.28</b>	9.50	9.68	8.77	5.09
ROCE %	<b>15.06</b>	15.57	15.51	15.78	12.80
Inventory Turnover (in days)	<b>171</b>	179	175	183	171
Debtors Turnover (in days)	<b>125</b>	137	131	127	139
Current Ratio	<b>1.44</b>	1.41	1.46	1.57	1.55
Price Earning Ratio	<b>3.33</b>	7.57	16.20	16.99	18.32
Market Vale per Share	<b>40.00</b>	86.75	176.25	154.70	90.10

**FINANCIAL HIGHLIGHTS -  
CONSOLIDATED**

(Rupees in Lacs unless stated otherwise)

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16
Revenue from Operations (Gross)	37,150.08	32,030.91	35,011.55	31,290.52	28,975.85
Revenue from Operations (Net of Discounts / Rebates)	29,614.46	26,531.65	29,472.87	26,536.12	26,797.73
Total Income	30,338.74	26,863.23	29,672.14	26,842.24	26,939.44
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	4,701.68	4,690.11	4,786.32	4,200.91	4,743.11
EBITDA %	15.88	17.68	16.24	15.83	17.70
Profit Before Depreciation and Tax	2,148.29	1,795.63	1,897.59	1,863.85	2,275.53
Profit Before Depreciation and Tax %	7.25	6.77	6.44	7.02	8.49
Profit Before Tax (PBT)	1,611.85	1,554.11	1,671.24	1,194.92	1,217.50
PBT %	5.44	5.86	5.67	4.50	4.54
Profit for the Year (PAT)	974.24	988.25	1,048.36	706.09	723.07
PAT %	3.29	3.72	3.56	2.66	2.70
Equity Dividend %	5.00	18.00	23.00	20.00	15.00
Dividend Payout	0.07	0.24	0.29	0.37	0.27
Net Worth	19,421.84	18,910.35	18,290.58	17,519.28	17,159.11
Gross Fixed Assets	8,632.58	16,940.65	15,730.10	13,841.03	15,809.70
Net Fixed Assets	4,796.07	9,542.99	8,756.52	7,098.55	8,541.53
Total Assets	48,710.80	49,433.99	47,747.78	45,000.28	44,755.39
Market Capitalisation	5,201.74	11,281.26	22,920.15	20,117.71	11,716.91
Number of Employees	922	924	868	822	748

**KEY INDICATORS - CONSOLIDATED**

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16
Earnings Per Share - Rs. (Excluding Exceptional Items)	7.49	7.60	8.06	5.43	5.56
Turnover Per Share - Rs.	227.73	204.02	226.64	204.06	206.07
Book Value Per Share - Rs.	149.35	145.42	140.65	134.72	131.95
Total Debt	15,030.13	17,184.24	17,076.35	13,743.69	16,659.11
Debt : Equity Ratio	0.77	0.91	0.93	0.78	0.97
EBITDA / Gross Turnover %	12.66	14.64	13.67	13.43	16.37
Net Profit Margin %	3.29	3.72	3.56	2.66	2.70
RONW %	5.02	5.23	5.73	4.03	4.21
ROCE %	11.94	12.19	12.73	11.16	10.77
Inventory Turnover (in days)	171	179	157	195	193
Debtors Turnover (in days)	144	256	226	196	183
Current Ratio	1.42	1.47	1.53	1.64	1.58
Price Earning Ratio	5.34	11.42	21.86	28.49	16.20
Market Vale per Share	40.00	86.75	176.25	154.70	90.10

## Financial Highlights of the Company since 2006

### STANDALONE

(Rupees in Crores unless stated otherwise)

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Sales (Gross)	74.05	103.38	110.44	139.75	158.26	194.38	189.76	237.53	239.13	234.62	277.19	319.89	320.31	371.50
RM Consumption	16.97	28.19	16.86	48.17	29.22	33.81	35.81	55.08	62.71	41.47	47.68	55.92	49.26	65.89
PBT	13.98	15.40	5.04	18.94	22.36	16.50	14.03	18.41	15.09	10.40	18.34	21.77	22.74	23.09
PAT	8.69	11.54	3.11	12.56	14.72	10.98	9.71	11.86	12.14	6.40	11.84	14.15	14.90	15.61
Dividend including DDT	-	1.83	-	2.27	3.03	2.27	2.28	3.04	3.13	2.35	3.13	3.60	2.82	0.78
Dividend (Rs. / Share)	-	1.20	-	1.50	2.00	1.50	1.50	2.00	2.00	1.50	2.00	2.30	1.80	0.50
Inventory	16.97	20.98	50.36	46.87	84.19	102.82	102.40	99.48	99.68	99.28	114.91	127.15	129.79	138.03
Debtors	26.71	40.27	49.35	69.52	48.87	68.56	82.44	95.05	82.24	80.69	80.13	94.86	99.32	101.59
Loan Funds	21.47	23.08	70.49	87.54	103.20	123.12	148.14	131.64	106.90	113.69	111.68	149.08	161.31	150.24
Reserves	25.80	83.85	84.85	93.44	104.51	112.40	119.18	127.38	109.70	112.68	122.10	133.19	143.79	155.17
Installed Capacity in MT	21,600	54,000	84,600	84,600	84,600	84,600	84,600	84,600	84,600	84,600	84,600	95,400	95,400	95,400
Capacity Utilised in MT	18,534	19,891	16,907	35,647	39,577	40,608	38,070	40,608	43,146	41,454	49,068	58,194	59,799	61,724
Human Resources in Nos.	525	490	547	612	645	765	748	785	753	748	822	868	924	922

## Financial Highlights of the Company since 2006

### CONSOLIDATED

(Rupees in Crores unless stated otherwise)

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Sales (Gross)	74.14	103.38	113.08	152.44	180.05	239.04	254.80	302.43	309.77	289.76	312.91	350.12	320.31	371.50
RM Consumption	16.97	32.55	21.48	41.11	20.47	22.36	33.21	72.73	60.62	66.95	63.76	71.65	49.29	65.89
PBT	14.65	18.09	7.62	23.86	28.03	21.07	20.25	25.32	22.48	12.17	11.95	16.71	15.54	16.12
PAT	8.69	13.55	5.05	16.24	18.59	14.33	13.98	16.25	17.19	7.23	7.06	10.48	9.88	9.74
Dividend including DDT	-	1.83	-	2.27	3.03	2.27	2.28	3.04	3.13	2.35	3.13	3.60	2.82	0.78
Dividend (Rs. / Share)	-	1.20	-	1.50	2.00	1.50	1.50	2.00	2.00	1.50	2.00	2.30	1.80	0.50
Inventory	16.97	24.33	54.45	55.90	108.38	127.71	134.80	136.76	144.72	142.38	141.51	127.15	129.79	138.03
Debtors	27.04	43.02	56.15	66.22	55.27	88.08	100.64	131.80	115.91	118.33	142.39	182.18	185.89	116.27
Loan Funds	23.49	23.12	70.52	87.77	117.32	155.62	189.96	177.95	158.96	166.59	137.44	170.76	171.84	150.30
Reserves	25.80	85.92	90.65	100.60	116.43	126.81	146.18	163.82	153.04	158.59	162.19	169.90	176.10	181.21
Installed Capacity in MT	32,400	64,800	95,400	95,400	155,400	155,400	155,400	155,400	155,400	155,400	155,400	155,400	155,400	155,400

## CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Members,

It is with great pleasure that I present to you the 50<sup>th</sup> Annual Report of your Company, Aries Agro Limited.

Aries is 50. Evolving from a dream of two individuals to a thriving globalized organization of over a thousand people, the metamorphosis of Aries has been phenomenal. We have evolved into a strong, vibrant and tough organization. Speed, Scale and precision define our core, with values, trust and unity defining our spirit.

Aries is unique. We are our people, our products and our purpose. Each of these elements within our organization is rare and hard to easily imitate. Our people have a singular goal – to deliver the world's best to India's farmers – using their knowledge, skills and enduring energy. Our products are an unparalleled, comprehensive range of specialty plant nutrition solutions, made to exacting world class standards but customized to uniquely Indian conditions. Our purpose is clear – sustainably build farm incomes and crop productivity and provide prosperity to the Aries family and livelihoods in the markets we serve. Collectively, we are custodians of a proud legacy and creators of a brilliant future.

During the year under review the monsoon was at 110% of the LPA (Long Period Average). Only 5 out of 36 Sub-divisions recorded deficient rainfall. This implies that 85% of the total area of the country received normal or above normal rainfall. This favourable situation continued in July, August and September 2019 after a slightly late monsoon onset during June 2019. Even the Rabi season had favourable reservoir levels and the Company was able to secure winter season business as planned. However, during the month of March – starting March 22<sup>nd</sup> 2020, the nationwide lockdown due to Covid-19 pandemic began and this affected the financial year end business to negligible extent. Effectively the sales for the year closed by 21<sup>st</sup> March 2020 since nothing was open past this day.

On a standalone basis, the gross revenue of your Company increased by 15.98% from Rs.320.31 Crores to Rs.371.50 Crores. On a consolidated basis, international sales were suspended due to non-manufacturing in UAE facilities.

The total capacity utilization currently stands at 62% of the total installed capacity of 95,400 MT p.a. in India. During the year under review, import substitution continued due to full scale manufacturing at Hyderabad and Chhatral facilities of items that were previously imported.

The Indian Chamber of Food & Agriculture conferred on us the prestigious India Agri Business Award 2019 for consistently serving the Indian farmers. We were also proud to be the Zee Business "Company of the Year 2019 – Agriculture in the Dare to Dream Growth Matters" awards. For Fifteen consecutive years Aries Quality Management System was audited and certified as NS-EN ISO 9001:2015 with zero non-compliance report showing complete adherence to international quality standards.

Stringent cost control measures strengthened with a continued focus on domestic manufacturing showed increase in profitability (PAT) by 4.78%. Orders received during the annual booking bazaars have assisted in better working capital management. Aries flash sales were conducted for the third year running in April – May 2019. On a consolidated basis, consolidated PAT showed an improvement in line with domestic business.

Seven new products were introduced in FY 2019-20 viz. Canemin, Soymin, Grapemin, Hortistar, Majorsol (Wheat Special), Majorsol (Paddy Plantation Special) and Trishool (Neem Cake)

International clients are located in Nepal and Taiwan. Distributors in Nepal have put up their own manufacturing unit to support and increase sales and distribution network of Aries Products throughout Nepal. Your Company endeavours to expand export market in the coming years

Aries continues its tradition of carrying out a range of activities that spread knowledge and adoption of farming best practices in the markets that Aries functions in. During the year we continued to emphasize more on higher standard of living and sustainable environment.

For preserving the environment and the ecology, we conducted **EIQ (Environmental Intelligence Quotient)**. EIQ is a test for both the faculty & kids of schools to create awareness. This imbibes young students to take

care of the Environment and provide an awareness score for each school. To combat hunger in remote areas and town across India, Aries Foundation Day was marked on 27<sup>th</sup> November 2019 with Annadanam across the country with Aries Staff in 23 States feeding 1,10,770 number of people in 171 locations with food prepared using crops grown by Aries farmers.

We customized our nutrients into a Grow Box, which is an excellent gifting solution, ideal for Corporates and individuals as well. This Grow Box was showcased in exhibitions at Mumbai and Baramati where different segments of urban customers such as agriculture enthusiast, nurseries, students, hobby growers and housewives.

There was also a good response to our initiative of Aries Greencups and Aries Water Wheel introduced in 2018-19 so we continued the initiative in 2019-20 as well.

In addition to the above, 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. Aries' extension team continues to strongly advocate good agricultural practices in all states of India. During the year under review 32,232 knowledge dissemination activities including farmers meeting were undertaken impacting 1,45,000 number of farmers. These sessions were conducted by our team of Sales & Extension officials spread across 26 states. The Company also provided fees and scholarships to students in addition to series of awards to meritorious students.

The Company's Call Centre based in Vijayawada continued to provide answers to farmers' queries on integrated nutrient management, pest management, soil health and post harvest management. The Company also organized soil testing camps in 3 major consuming states using Mobile Soil Testing Kits.

The Company in coordination with GOONJ transported relief materials to Kolhapur, Maharashtra for distribution to the flood affected people.

The year 2020-21 is a land mark year immediately following our Golden Jubilee and the Company being classified under "Essential Commodities" continued to function from April 2020 with workforce as per the lockdown norms. The demand has been extremely strong and by adding several locations in addition to the existing factories, the Company has been able to meet the demand of farming community across India despite lockdown conditions. The year 2020-21 Annual Distributor's Meet was conducted online with a record number of close to 850 dealers connecting from 26 states on video conferencing platform on 19<sup>th</sup> April 2020. This was followed by App only bookings for the year 2020-21 with record booking of Rs. 620.51 Crores conducted entirely online. We are sure with a conversion of 70 – 75%, expect to achieve Gross revenue of Rs. 440/- Crores in the FY 2020-21. In the current year we shall also introduce high density Zinc tablets, high density NPKs, Neem Oil, small range of Pesticides and specially designed nutrients for urban gardens and hydroponic farms. During the lockdown period, digitization of the entire Company and several processes was completed way ahead of schedule. Despite the lockdown, Vijayawada unit construction was completed ahead of time and machineries is expected to be installed and production to commence during 2020-21. Our R&D farm at Raipur is currently producing 4 crops including Moringa, Turmeric, Cucumber and Tomato. The construction of the first phase of our manufacturing facility at Raipur will also be completed towards the end of 2020-21. Our goal of achieving 100% recyclable packaging has already been achieved and new sustainable packaging solutions are being continuously identified for our flagship brands.

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

Sincerely,

**Dr. Rahul Mirchandani**  
Chairman & Managing Director

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE FIFTIETH ANNUAL GENERAL MEETING OF THE MEMBERS OF ARIES AGRO LIMITED will be held on Thursday, the 24<sup>th</sup> September, 2020 at 4.30 p.m.(IST) through Video Conferencing("VC")/Other Audio Visual Means("OAVM"), to transact the following business:-

### ORDINARY BUSINESS

1. **To receive, consider, approve and adopt:**
  - a. the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2020, together with the Reports of the Board of Directors and the Auditors thereon, and
  - b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2020, together with the Report of the Auditors thereon and in this regard, to consider and if thought fit, to pass the following resolutions as **Ordinary Resolutions**:
    - (a) "RESOLVED THAT the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2020 including the Balance Sheet, Statement of Profit and Loss, Cash Flow Statement together with Notes, Schedules, Board's Report (including Report on Corporate Governance, Management Discussion and Analysis Report and Report on Corporate Social Responsibility) and the Report of the Auditors thereon duly circulated, be and are hereby received, approved and adopted."
    - (b) "RESOLVED FURTHER THAT the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2020 including the Balance Sheet, Statement of Profit and Loss, Cash Flow Statement together with Notes, Schedules and the Report of the Auditors thereon duly circulated, be and are hereby received, approved and adopted."
2. **To confirm the Interim Dividend of Rs. 0.50 per Equity Share(5%) of the Face Value Rs. 10/- each Fully Paid Up, for the Financial Year 2019-2020**, approved by the Board of Directors and already paid to eligible Shareholders and in this regard, to consider and pass, the following resolution as **Ordinary Resolution**:  
 "RESOLVED THAT payment of Interim Dividend @ Rs.0.50 per Equity Share (5%) on 1,30,04,339 Equity Shares of Rs. 10/- each of the Company, for the Financial Year 2019-2020 aggregating to Rs. 78.41 Lakhs(Interim Dividend Rs. 65.04 Lakhs and Dividend Distribution Tax Rs. 13.37 Lakhs) declared by the Board of Directors through a Circular Resolution passed on 11<sup>th</sup> March, 2020, be and is hereby confirmed."
3. **To appoint a Director in place of Mrs. Nitya Mirchandani (DIN 06882384) who retires by rotation and being eligible offers herself for re-appointment** and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:  
 "RESOLVED THAT Mrs. Nitya Mirchandani(DIN 06882384), a Director retiring by rotation at this meeting and being eligible for re-appointment be and is hereby re-appointed as a Director of the Company whose term of office shall be liable to determination by retirement by rotation."

### SPECIAL BUSINESS

4. **To approve Remuneration payable to Dr. Rahul Mirchandani, the Managing Director, for the remainder of his term from 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2022** and in this regard to consider and, if thought fit to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (hereinafter referred to as the "Act"), as amended and re-enacted from time to time, and such other approvals, if any, as may be necessary, the approval of the Members is accorded that Dr. Rahul Mirchandani be paid remuneration for the remainder of his term from 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2022 as broadly specified below and which is hereby specifically sanctioned :

#### **OVERALL REMUNERATION**

Subject to the provisions of Section 196, 197, Schedule V and other provisions of the Companies Act, 2013, the remuneration payable to Dr. Rahul Mirchandani, in any financial year shall not exceed 5%(Five percent) of the net profits of the Company.

#### **MINIMUM REMUNERATION**

Where in any financial year during the currency of the tenure of Dr. Rahul Mirchandani, the Company has no profits or its profits are inadequate, the remuneration payable to Dr. Rahul Mirchandani, will be according to the applicable provisions of Schedule V of the Act. Within the aforesaid ceiling, the remuneration payable to Dr. Rahul Mirchandani, Managing Director, shall be as follows :-

#### **SALARY, PERQUISITES AND ALLOWANCES**

Not Exceeding Rs. 16,20,000/- pm inclusive of all perquisites and allowances (as stated below) except those specifically excluded as per Schedule V of the Act.

#### **COMMISSION:**

As decided by the Board of Directors at the time of adoption of accounts, but not exceeding the ceiling in respect of overall remuneration as prescribed under Section 197 of the Companies Act, 2013.

#### **Other Terms and Conditions:**

#### **PERQUISITES :**

- A. Rent Free furnished accommodation or House Rent Allowance not exceeding Rs. 1,12,500/- per month along with benefits of gas, fuel, water, electricity and telephone/fax as also upkeep and maintenance of the residential accommodation the value of such accommodation and its upkeep and maintenance being evaluated in accordance with the provisions of the Income Tax Rules. Personal long distance calls will be billed to Dr. Rahul Mirchandani.
- B. Conveyance : Company car with chauffeur or alternatively Company to maintain Dr. Rahul Mirchandani's personal car and provide him with a chauffeur; monetary value for private use to be evaluated in accordance with the Income Tax Rules.
- C. Medical Benefits : Reimbursement of medical expenses for himself and his family actually incurred during the continuance of his employment as per Rules of the Company upto a limit of one months salary in a year or three months salary over a period of three years.

- D. Communication Allowance/Expenses: Dr. Rahul Mirchandani will be entitled for communication allowance/reimbursement as per rules of the Company.
- E. Leave : 30 working days leave (traveling time included) once in every year of service, with encashment of unavailed leave at the end of the tenure.
- F. Leave Travel Assistance : Leave travel concession for self and family, once every year or as per Rules of the Company upto a limit of one months salary in a year.
- G. Other Perquisites e.g. Personal Accident Insurance for himself and for his family and Club Fees(Subject to a maximum of two clubs. No admission or life membership fee will be paid) and any others, upto a maximum of Rs. 81,000/- p.m.
- H. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961; gratuity payable at a rate not exceeding half a month salary for each completed year of service and encashment of un-availed leave at the end of tenure shall not be included in the computation of the ceiling on remuneration in terms of Schedule V of the Companies Act, 2013.

#### **SITTING FEES**

Dr. Rahul Mirchandani will not be entitled to Sitting Fees for meetings of the Board / Committee of the Board attended by him.”

#### **COMPENSATION**

If any time the office of the Managing Director is determined before the expiry of his terms of office, the Managing Director shall be entitled to compensation for loss of office in accordance with and subject to the restrictions laid down in Section 191 and 202 of the Companies Act 2013 and rules framed thereunder.

5. **Ratification of the Remuneration of the Cost Auditor in terms of Section 148 of the Companies Act, 2013 read with Companies(Audit and Auditors) Rules, 2014** and in this regard to consider and if thought fit the following Resolution as an **Ordinary Resolution**:
- “**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs. 2,64,000/- (Rupees Two Lakhs Sixty Four Thousands Only) plus Service Tax and reimbursement of Out of Pocket Expenses at actual as approved by the Board of Directors of the Company payable to M/s. R. Nanabhoy & Co., Cost Accountants, having firm’s registration No. 000010 for conducting the Cost Audit of the cost records maintained by the Company for the financial year ending 31<sup>st</sup> March, 2021, be and is hereby ratified.”

By Order of the Board

**Qaiser P. Ansari**

Place: Mumbai **Company Secretary and Senior V.P.(Legal)**  
Date: 13<sup>th</sup> August, 2020 **Membership No. ACS-8979**

#### **NOTES**

#### **MEETING THROUGH VIDEO CONFERENCING(“VC”)/OTHER AUDIO VISUAL MEANS(“OAVM”)**

- In view of the global outbreak of COVID-19, the Ministry of Corporate Affairs (MCA), Government of India, has vide its General Circular No. 14/ 2020 dated 8th April 2020, General Circular No. 17/ 2020 dated 13<sup>th</sup> April 2020, in relation to “Clarification on passing of Ordinary and Special Resolutions by Companies under the Companies Act, 2013 and the rRes made thereunder on account of the threat posed by Covid-19” and General Circular No. 20/ 2020 dated 5<sup>th</sup> May 2020, in relation to “Clarification on holding of Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM)” (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May 2020, in relation to “Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 - Covid-19 pandemic” (“SEBI Circular”) have permitted the holding of the Annual General Meeting (“AGM”) through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”), without the physical presence of the Members at a common venue. In compliance with the applicable provisions of the Companies Act, 2013 (the “Act”) (including any statutory modification or re-enactment thereof for the time being in force) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (the “Rules”), as amended from time to time, read with the MCA Circulars, SEBI Circular and pursuant to Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) the Annual General Meeting (“AGM”) of the Company is scheduled to be held on Thursday, the 24<sup>th</sup> September, 2020 at 4.30 p.m.(IST) through Video Conferencing(“VC”)/Other Audio Visual Means(“OAVM”), and the Voting for items to be transacted in the Notice to this AGM only through Remote Electronic Voting Process (“e-Voting”).
- The venue of the Meeting shall be deemed to be the Registered Office of the Company.
- In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.ariesagro.com](http://www.ariesagro.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).

#### **MEMBER’S ENTITLEMENT TO ATTEND MEETING AND APPOINT PROXY**

- PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULAR, THE FACILITY FOR



APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE, THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.

2. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, Representatives of the Members such as the President of India or the Governor of a State or Body Corporate can attend the AGM through VC/OAVM and cast their votes through e-Voting

#### **INSTITUTIONAL INVESTORS/CORPORATE MEMBER**

Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the AGM through VC/OAVM facility. Corporate Members intending to appoint their Authorized Representatives to attend the AGM through VC or OAVM and to Vote thereat through Remote e-Voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by e-mail at [shailashrib@gmail.com](mailto:shailashrib@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and [investorrelations@ariesagro.com](mailto:investorrelations@ariesagro.com).

#### **ATTENDANCE**

The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

#### **JOINT HOLDERS**

In case of Joint Holders attending the Meeting, only such Joint Holders who are higher in the order of the names will be entitled to vote.

#### **SPECIAL BUSINESS AND EXPLANATORY STATEMENT**

1. As per the provisions of Clause 3.A.II. of the General Circular No. 20/ 2020 dated 5th May 2020, the matters of Special Business as appearing at Item Nos. 4 to 5 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.
2. **The relative Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 setting our material facts concerning the business under Item Nos. 4 to 5 of the Notice, is annexed hereto. Additional information, pursuant to applicable Regulations SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting (AGM) is furnished in this Notice.**

#### **JOINING THE AGM**

The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

#### **INFORMATION AND INSPECTION OF DOCUMENTS**

1. Members desiring inspection of Statutory Registers during the AGM may send their request in writing to the Company at [investorrelations@ariesagro.com](mailto:investorrelations@ariesagro.com).
2. Members who wish to inspect the relevant documents referred to in the Notice can send an e-mail to [investorrelations@ariesagro.com](mailto:investorrelations@ariesagro.com) up to the date of the AGM.

#### **NOMINATION FACILITY**

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 holding shares in Demat form are requested to contact their DPs for registration of nominations. Members holding shares in physicals form are and interested in availing the nomination facility are requested to contact the Company/Registrar and Transfer Agent of the Company M/s Aarhi Consultants Private Limited.

#### **SHAREHOLDERS' OBLIGATIONS**

1. Beneficial Owners holding shares in Electronic/ Demat form are requested to notify any change in their Addresses, Bank Account, Mandate, etc. to their respective Depository Participant. ECS Mandates has to be sent to the concerned Depository Participant directly.
2. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number(PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrars and Transfer Agents, M/s Aarhi Consultants Private Limited.
3. The Securities and Exchange Board of India('SEBI') and Ministry of Corporate Affairs('MCA') has mandated that existing Member of the Company who hold securities in physical form and intend to transfer their securities after 1<sup>st</sup> April, 2019, can do so only in dematerialized form. Therefore, Members holding shares in physical form are requested to consider converting their shareholding to dematerialized form to eliminate all risks associated with physical shares for ease of Portfolio Management as well as for ease of transfer, if required, Shareholders can write to the Company at [investorrelations@ariesagro.com](mailto:investorrelations@ariesagro.com) or contact the Company/Registrars and Transfer Agents, M/s Aarhi Consultants Private Limited for assistance in this regard.
4. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination and power of attorney, Bank Mandate details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DP in case the shares are held in electronic form and to the RTA in case the shares are held in physical form.
5. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their Demat Account(s)

dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified from time to time.

#### **AGM NOTICE ALONG WITH THE ANNUAL REPORT FOR F.Y. 2019-2020 IN ELECTRONIC FORM**

1. Due to non-availability of Postal and Courier services, on account of the threat posed by COVID-19 and in terms of the MCA Circulars and the SEBI Circular, the Company is sending this AGM Notice along with the Annual Report for F.Y. 2019-2020 in electronic form only to those Members whose e-mail addresses are registered with the Company/Depositories. The Notice convening the AGM and the Annual Report for F.Y. 2019-2020 has been uploaded on the website of the Company at [www.ariesagro.com](http://www.ariesagro.com) and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively. The AGM Notice is also available on the website of NSDL at [www.evotingindia.com](http://www.evotingindia.com).
2. This AGM Notice is being sent by e-mail only to those eligible Members who have already registered their e-mail address with the Depositories/the DP/the Company's RTA/the Company or who will register their e-mail address with Aarthi Consultants Private Limited, on or before 5:00 p.m. (IST) on Tuesday, 15<sup>th</sup> September, 2020.
3. To facilitate Members to receive this Notice electronically and cast their vote electronically, the Company has made special arrangement with Aarthi Consultants Private Limited for registration of e-mail addresses in terms of the MCA Circulars. Eligible Members who have not submitted their e-mail address to Aarthi Consultants Private Limited, are required to provide their e-mail address to the RTA on the email ID [info@aarthisconsultants.com](mailto:info@aarthisconsultants.com), on or before 5:00 p.m. (IST) on Tuesday, 15<sup>th</sup> September, 2020 pursuant to which, any Member may receive on the e-mail address provided by the Member the Annual Report for F.Y. 2019-2020 and the procedure for remote e-Voting along with the login ID and password for remote e-Voting.
4. After successful submission of the e-mail address, CDSL will e-mail a copy of the Annual Report for F.Y. 2019-2020 along with the remote e-Voting user ID and password, within 48 hours of successful registration of the e-mail address by the Member. In case of any queries, Members may write to [info@aarthisconsultants.com](mailto:info@aarthisconsultants.com) or [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
5. For permanent registration of their e-mail address, Members are requested to register their e-mail address, in respect of electronic holdings, with their concerned DP and in respect of physical holdings, with the RTA.
6. Those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated with their DP/ Aarthi Consultants Private Limited to enable servicing of notices/documents/Annual Reports and other communications electronically to their e-mail address in future.

#### **NON RESIDENT INDIAN MEMBERS**

Non-Resident Indian Members are requested to inform Registrars and Transfer Agents M/S 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.

#### **UNCLAIMED DIVIDEND AND SHARES**

1. The Company has submitted with the MCA the List of Un-Paid Dividends as on the date of the last AGM and the same is also displayed in the Investor Relations Section on our web-site at [www.ariesagro.com](http://www.ariesagro.com).
2. In compliance with Section 124 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder, unclaimed Dividend for the year ended 31<sup>st</sup> March, 2012 has been transferred to the 'Investor Education and Protection Fund' (IEPF) established by the Central Government. Unclaimed Dividends for all the subsequent years will be transferred to the IEPF according to the statutory stipulations. Members are requested to contact the Company's Registrar & Share Transfer Agents, in respect of their outstanding dividends for the succeeding years.
3. In compliance with Section 124(6) and other applicable provisions of the Companies Act, 2013 and rules framed thereunder, shares in respect of which dividend has not been paid or claimed for seven consecutive years or more, have been transferred to IEPF and List of such transferred Shares has been posted on the web site of the Company i.e. [www.ariesagro.com](http://www.ariesagro.com).
4. As per, Section 124(6) of the Companies Act, 2013 all shares in respect of which unpaid or unclaimed dividend has been transferred to IEPF, shall also be transferred to IEPF in terms of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017. The said Rules, amongst other matters, contain provisions for transfer of all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more, in the name of IEPF Suspense Account.
5. All the Share Holders are requested to claim the Unpaid/ Unclaimed Dividends due to them by making an application to M/S. Aarthi Consultants Pvt.Ltd., Registrar and Transfer Agents of the Company or directly to the Company on or before 6<sup>th</sup> October, 2020. In case the Share Holders fail to claim the above dividend, all the concerned shares (whether held in physical or electronic form) will be transferred by the Company to IEPF Account. Kindly note that dividend for Financial Year 2011-12 has already been transferred to IEPF.
6. However, the Share Holders can claim from IEPF Authority both unclaimed dividend amount and the shares transferred to IEPF Account by making an application in Form IEPF-5 online and sending the physical copy of the same duly signed (as per registered specimen signature) along with requisite documents enumerated in the said Form IEPF-5 to the Company at its Registered Office or to M/S. Aarthi Consultants Pvt. Ltd., Registrar and Transfer Agents of the Company for verification of their claim.
7. In view of the discontinuation of the physical transfer of shares there will not be any Book Closure but the Company has fixed the Cut Off/Record Date as Wednesday, 16<sup>th</sup> September, 2020 (close of the business hours) for determining entitlement for e-Voting.

## INFORMATION TO THE SHAREHOLDERS

- The Annual Report duly circulated to the Members of the Company, is available on the Company's Website at [www.ariesagro.com](http://www.ariesagro.com) and on the website of M/S. **Aarthi Consultants Private Limited** at [www.aarthiconsultants.com](http://www.aarthiconsultants.com).
- Shareholders can register their complaints, if any, on an exclusive e-mail id [investorrelations@ariesagro.com](mailto:investorrelations@ariesagro.com) which has been designated for the said purpose.
- The Company's Equity Shares are listed at (i) BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001; and (ii) National Stock Exchange of India Limited, Exchange Plaza, Floor 5, Plot No. C/1, Bandra (East), Mumbai- 400051 and the Company has paid the Annual Listing Fees to the said Stock Exchanges for the year 2020-2021.
- Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting are given below:

Particulars required	Information
Name of the Director	Mrs. Nitya Mirchandani
Date of Birth	29 <sup>th</sup> January, 1978
Date of Appointment	30 <sup>th</sup> May, 2014
Expertise in specific functional areas	Administration and Management
Qualifications	B.A., Diploma in Human Resource Management
<b>Brief Resume:</b>	
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.	
Relationship between Directors inter-se	Wife of Chairman and Managing Director, Dr. Rahul Mirchandani and Sister-in-Law of Non-Executive-Non-Independent Director, Dr. Jimmy Mirchandani
Chairman/Member of the Committees of the Board of Directors of the Company.	Member of the Audit Committee, Stake Holders Relationship Committee, Corporate Social Responsibility(CSR) Committee and Treasury Committee.
Directorship in other Companies	NIL
Membership of Audit Committee of other Public Limited Companies	NIL
Membership of any other Committee of other Public Limited Companies.	NIL
Number of Shares held in the Company	3,000

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

### AARTHI CONSULTANTS PRIVATE LIMITED

1-2-285, Domalguda, Hyderabad – 500 029, Telangana, India\ Tel : +91-40-27634445 / 27642217, Fax: +91-40-27632184 E-mail: [aries@arthiconsultants.com](mailto:aries@arthiconsultants.com) Website: [www.aarthiconsultants.com](http://www.aarthiconsultants.com)

### VOTING THROUGH ELECTRONIC MEANS

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-Voting system on the date of the AGM will be provided by CDSL.

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

- The voting period begins on Sunday, 20<sup>th</sup> September, 2020 at 10.00 a.m. and ends on Wednesday, 23<sup>rd</sup> September, 2020 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-Off date Wednesday, 16<sup>th</sup> September, 2020, may cast their vote electronically. The remote e-Voting module shall be disabled by CDSL for voting thereafter.
- The facility for e-Voting shall also be made available during the AGM and the Members attending the AGM who have not already cast their votes through remote e-Voting and are otherwise not barred from doing so, shall be able to exercise their voting rights during the AGM.
- Members may follow the same procedure for e-Voting during the Fiftieth AGM as mentioned below in the instructions for remote e-Voting.
- The Scrutinizer shall close the e-Voting facility after the expiry of 15 minutes from the conclusion of the AGM.
- Shareholders who have already voted prior to the Meeting date would not be entitled to vote at the Meeting.
- The shareholders should log on to the e-Voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period
- Click on "Shareholders" tab.
- Now Enter your User ID
  - For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/ EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (ix) Next enter the Image Verification as displayed and Click on Login.
- (x) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- (xi) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details Or Date of Birth(DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the Depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (xii) After entering these details appropriately, click on "SUBMIT" tab.
- (xiii) 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.
- (xiv) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xv) Click on the EVSN for the Company <ARIES AGRO LIMITED> on which you choose to vote.
- (xvi) 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.
- (xvii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xviii) 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.
- (xix) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xx) You can also take out print of votes cast by clicking on "Click here to print" option on the Voting page.

- (xxi) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xxii) Shareholders can also cast their vote using CDSL's mobile app m-Voting. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote e-Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

- For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investorrelations@ariesagro.com](mailto:investorrelations@ariesagro.com) or [info@arthiconsultants.com](mailto:info@arthiconsultants.com) (**Company/RTA email id**).
- For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investorrelations@ariesagro.com](mailto:investorrelations@ariesagro.com) or [info@arthiconsultants.com](mailto:info@arthiconsultants.com) (**Company/RTA email id**).
- The Company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under Shareholders/Members login by using the remote e-voting credentials. The link for VC/OAVM will be available in Shareholder/Members login where the EVSN of Company will be displayed.
- Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Shareholders who would like to express their views/ask questions during the meeting may register themselves as a Speaker by sending their request in advance atleast **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **5 days prior to meeting** i.e. 19<sup>th</sup> September, 2020 mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the Company suitably by email.
- Those shareholders who have registered themselves as a Speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of Speakers depending on the availability of time for the AGM.

#### INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM/EGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-Voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-Voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

#### NOTE FOR NON-INDIVIDUAL SHAREHOLDERS AND CUSTODIANS

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to <https://www.evotingindia.com> 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](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [investorrelations@ariesagro.com](mailto:investorrelations@ariesagro.com), if they have voted from individual tab & not uploaded same in the CDSL e-Voting system for the Scrutinizer to verify the same.

#### QUERIES AND GRIEVANCES

1. 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.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.
2. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

#### GENERAL GUIDELINES FOR MEMBERS

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on [www.evotingindia.com](http://www.evotingindia.com) to reset the password.
2. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
3. The voting rights of Members shall be in proportion to their shares of the Paid-Up Equity Share Capital of the Company as on the cut-off date of Wednesday, 16<sup>th</sup> September, 2020.
4. Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. Wednesday, 16<sup>th</sup> September, 2020, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or the Company/RTA.
5. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting, as well as voting at the meeting.

#### SCRUTINIZER

Ms. Shailashri Bhaskar, Practicing Company Secretary (Membership No. FCS-5778 and CP No. 5092) or in her absence Mr. A. Sekar, Practicing Company Secretary (Membership No. ACS-8649 and CP No. 2450), has been appointed as the Scrutinizer to scrutinize e-Voting process (including the e-Voting at the AGM), in a fair and transparent manner.

#### VOTING AND RESULT

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of e-Voting system for all those Members who are present during the AGM through VC/OAVM but have not cast their votes by availing the remote e-Voting facility. The remote e-Voting module during the AGM shall be disabled by CDSL for voting 15 minutes after the conclusion of the Meeting.

The Scrutinizer shall, after the conclusion of voting at the AGM, first count the votes cast during

the AGM and, thereafter, unblock the votes cast through remote e-Voting and shall make, not later than 48 hours from the conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared, alongwith the Scrutinizer's Report, shall be placed on the Company's website [www.ariesagro.com](http://www.ariesagro.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com), immediately after the declaration of the result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the Stock Exchanges where the Company's Equity Shares are listed viz. BSE and NSE and be made available on their respective websites viz. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

**By Order of the Board**

**Qaiser P. Ansari**

Place: Mumbai  
Date: 13<sup>th</sup> August, 2020

**Company Secretary and Senior V.P.(Legal)**  
**Membership No. ACS-8979**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.****Item No. 4**

Dr. Rahul Mirchandani was appointed as the Managing Director of the Company for a period of 5(Five) years from 4<sup>th</sup> April, 2017 to 31<sup>st</sup> March, 2022 and his remuneration was fixed for a period of 3(three) years from 4<sup>th</sup> April, 2017 to 31<sup>st</sup> March, 2020 by the Board of Directors in their Meeting held on 27<sup>th</sup> April, 2017 pursuant to the recommendation of the Nomination and Remuneration Committee, which was approved by the Members in the 47<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September, 2017.

The period of 3(three) years got over on 31<sup>st</sup> March, 2020, the Board of Directors in their Meeting held on 11<sup>th</sup> February, 2020, pursuant to the recommendation of the Nomination and Remuneration Committee, revised the Remuneration of Dr. Rahul Mirchandani with effect from 1<sup>st</sup> April, 2020 for remainder of his tenure of 2(two) years upto 31<sup>st</sup> March, 2022 the details whereof is given in the text of the resolution as set out under item No. 4.

Under the leadership of Dr. Rahul Mirchandani the Company continued to achieve growth as the Sales of the Company has grown from Rs. 230 Crores as on 31<sup>st</sup> March, 2017 to Rs. 265 Crores as on 31<sup>st</sup> March, 2019 and Rs. 111 Crores upto 30<sup>th</sup> June, 2020 of the Financial Year 2020-21.

Followings are the recognition and awards which have been earned by the Company under the stewardship of Dr. Rahul Mirchandani--

- a) Recognition by Insight Success Magazine in March 2019 in their Annual Listing of the "10 Most Recommended Agritech Companies in India" that embraces new Technology to deliver various end-to-end farm solutions on a reliable foundation of rich insights on farming.
- b) Felicitated by Economic Times as one of the "Champions of Rural Markets 2018-19" for having stood firm in the winds of globalization and having consistently served the rural market.

India Agri Business Award 2019

Zee Dare to Dream Award 2019

The above achievement is the result of the Entrepreneurship – Planning for increasing the production base and getting recognition in the Corporate World displayed by Dr. Rahul Mirchandani.

Remuneration prevailing in the Industry— In this Industry there are Large Corporate House, where the remuneration is substantially higher in line with their turnover and profits. The Company could be classified as a Medium Sized Fertilizer Company and considering its size in terms of turnover and profits, the proposed remuneration could be considered to be reasonable.

The proposed remuneration is in line with Schedule V of the Companies Act, 2013, which is in comparison with prevailing remuneration payable to the managerial person in Industry.

None of the Directors, Key Managerial Personnel and their relatives except Dr. Jimmy Mirchandani, Director, Dr. Rahul Mirchandani, Chairman and Managing Director and Mrs. Nitya Mirchandani, Director are concerned or interested in the said resolution.

The above may be treated as an abstract of the terms of contract under Section 190(1) of the Companies Act, 2013.

The Board of Directors of your Company recommends the resolution as a **Special Resolution** for approval under Item No. 4.

**Item No. 5**

The Board, on the recommendation of the Audit Committee, has approved the appointment of and payment of remuneration to the Cost Auditors to conduct the audit of the Cost Records of the Company for the financial year ending March 31, 2021 for a audit fee of Rs. 2,64,000/- (Rupees Two Lakhs Sixty Four Thousands Only) p.a. plus Goods and Service Tax (GST) and reimbursement of Out of Pocket Expenses at actual.

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2021.

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. 5 of the Notice.

The Board commends the **Ordinary Resolution** set out at Item No. 5 of the Notice for approval by the shareholders.

**By Order of the Board**

**Qaiser P. Ansari**

Place: Mumbai      **Company Secretary and Senior V.P.(Legal)**  
Date: 13<sup>th</sup> August, 2020      **Membership No. ACS-8979**

## BOARD'S REPORT

To  
The Members,  
Aries Agro Limited

Your Directors have pleasure in presenting their 50<sup>th</sup> Annual Report on the operations of the Company together with the Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2020.

### FINANCIAL PERFORMANCE

(Rupees in Lakhs unless stated otherwise)

Particulars	Standalone		Consolidated	
	Year Ended 31st March, 2020	Year Ended 31st March, 2019	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Revenue from Operations	37,150.08	32,030.91	37,150.08	32,030.91
Less :- Discount / Rebates	7,535.63	5,499.26	7,535.63	5,499.26
	29,614.46	26,531.65	29,614.46	26,531.65
Other Income	1,216.37	751.42	724.28	331.58
<b>Total Revenue (including Other Income)</b>	<b>30,830.82</b>	<b>27,283.07</b>	<b>30,338.74</b>	<b>26,863.23</b>
Profit Before Tax, Interest & Depreciation	5,397.35	5,254.86	4,701.68	4,690.11
Less :- Finance Costs	2,552.11	2,740.21	2,553.38	2,894.48
Depreciation & Amortisation Expense	536.44	240.68	536.44	241.52
	3,088.55	2,980.88	3,089.83	3,136.00
<b>Profit Before Tax</b>	<b>2,308.80</b>	<b>2,273.98</b>	<b>1,611.85</b>	<b>1,554.11</b>
Less :- Current Tax	647.00	809.00	647.00	809.00
Adjustment of Tax relating to earlier periods	39.49	3.72	39.49	3.72
Deferred Tax	61.24	(28.53)	61.24	(28.53)
	747.73	784.18	747.73	784.18
<b>Profit After Tax</b>	<b>1,561.07</b>	<b>1,489.80</b>	<b>864.12</b>	<b>769.93</b>
Add / (Less) :- Share of Profit / (Loss) of Associates	-	-	(84.27)	-
<b>Profit for the year</b>	<b>1,561.07</b>	<b>1,489.80</b>	<b>779.86</b>	<b>769.93</b>
Less :- Non-Controlling Interest	-	-	(194.39)	(218.32)
<b>Profit for the year attributable to Owners of the Parent</b>	<b>1,561.07</b>	<b>1,489.80</b>	<b>974.24</b>	<b>988.25</b>
Balance brought forward	8,586.56	7,456.76	10,340.22	9,970.32
Add / (Less) :- On Account of Divestment of Step Down Subsidiary	-	-	4.91	-
<b>Amount available for Appropriation</b>	<b>10,147.63</b>	<b>8,946.56</b>	<b>11,319.38</b>	<b>10,958.57</b>
Less :- Dividend Paid	299.12	299.11	299.12	299.11
Tax on Dividend Paid	61.48	60.89	61.48	60.89
Provision for Doubtful Debts	-	-	-	258.35
	360.60	360.00	360.60	618.35
<b>Surplus carried forward to Balance Sheet</b>	<b>9,787.03</b>	<b>8,586.56</b>	<b>10,958.78</b>	<b>10,340.22</b>

### OPERATIONS STANDALONE

During the year under review, the Earnings Before Interest, Depreciation and Tax was 18.23% compared to 19.81% in the previous year. The Total Revenue (excluding Other Income) for the year net of discount / rebates was Rs. 29,614.46 Lakhs as against Rs. 26,531.65 Lakhs in the previous year. Profit after tax for the year was 5.27% compared to 5.62% in the previous year.

### CONSOLIDATED FINANCIAL STATEMENT

In accordance with the Indian Accounting Standard (Ind-AS) 110 on Consolidated Financial Statements, the Audited Consolidated Financial Statement is provided in the Annual Report.

The Consolidated Profit Before Interest, Depreciation, Exceptional Items and Taxes (EBITDA) of the Group was Rs. 4,701.68 Lakhs in the Financial Year 2019-20 compared to Rs. 4,690.11 Lakhs in the previous year. Consequently, the Consolidated Profit Before Exceptional Items and Taxes (PBT) was Rs. 1,611.85 Lakhs in the Financial Year 2019-20 compared to Rs. 1,554.11 Lakhs in the previous year.

#### FINANCIAL REVIEW

With the collective support of staff and Aries Customers the Company was able to improve its revenue from Indian operations by 15.98 % with an increase in profitability before tax by 1.53% in comparison with the previous year.

The global manufacturing operations remained suspended. However, the process of connection of electricity lines is under way. Once the production line is restarted and Aries flagship brand is manufactured in granules, this will be in the best interest of the Company's profitability. Please refer to the discussion made in the Management and Discussion Analysis Report forming part of this Report.

#### IMPACT OF COVID-19 ON THE BUSINESS OF THE COMPANY

Sr. No.	Particulars	Explanation/Information	
		For Q4 of FY 2019-20	For Q1 of FY 2020-21
1	Impact of the CoVID-19 pandemic on the business	Negligible impact since last 15 days of March are typically very low season	Business resumed as essential services and manufacturing operations resumed w.e.f.  Pashamylaram – 01.04.2020 Lucknow – 03.04.2020, Chhatral – 03.04.2020, Mumbai – 10.04.2020,  with capacity and labour utilization in line with the Government norms
2	Ability to maintain operations including the factories/units/office spaces functioning and closed down	Factories could not function from Mumbai from midnight of 20.03.2020 and Lucknow, Chhatral and Pashamylaram from 22.03.2020 during the first phase of the lockdown. However, demand was negligible at that point of time due to very low season	Operations moved to 24 hrs basis (in shifts) in order to meet demand. Despatches have proceeded in an efficient manner so far.
3	Schedule, if any, for restarting the operations	Not Applicable	Operations were partially resumed in the following factories w.e.f. ;  Pashamylaram – 01.04.2020 Lucknow – 03.04.2020 Chhatral – 03.04.2020 Mumbai – 10.04.2020
4	Steps taken to ensure smooth functioning of operations	All staff were moved to work from home for admin and support functions. Manufacturing and despatches remained suspended.	Labours were brought in batches and lived within the factory premises. Admin and support staff continued to work from home. In phase 3 of the lockdown, office operations also commenced in line with the Government rules.
5	Estimation of the future impact of CoVID-19 on its operations	NA	Labour and logistics availability are two areas that are being further improved to minimise the impact on future operations.
6	Capital and financial resources	No impact on capital and financial resources of the entity. Company deals into essential goods ie. Fertilizers / micronutrient fertilizers and hence had no impact on general business as well as on financial resources	No impact on capital and financial resources of the entity. Due to nature of industry / product line, company does not see any impact going forward also
7	Profitability	Negligible impact	Negligible impact
8.	Liquidity position	Liquidity position of the company is not impacted as customers are largely into the rural area due to nature of industry and product line, and COVID 19 has been well under control in rural areas.	Positive rain forecast coupled with positive economic measures in additions to inherent strength of the organization and industry per se, company does not foresee any liquidity issues going forward.



Sr. No.	Particulars	Explanation/Information	
		For Q4 of FY 2019-20	For Q1 of FY 2020-21
9	Ability to service debt and other financing arrangements	All debt and other finance obligations were met in full and on time	All debt and other finance obligations are met in full and on time Moratorium request was made & granted by all banks. But this was <u>not availed</u> since funds were adequate to meet obligations.
10	Assets	No impact	No impact
11	Internal financial reporting and control	Continued as usual	Continues as usual
12	Supply chain	Inward and outward logistics were impacted since operations were suspended	Inward and outward logistics are impacted on certain routes at present.
13	Demand for its products/services	Since customers' shops were also closed, demand was temporarily affected.	Demand for products remains strong since rural areas have been opened up and farming operations have resumed. Logistics availability has improved and movement of goods is in full swing at present.
14	Existing contracts/ agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business	All agreements and contracts were fulfilled on time and in full	All agreements and contracts are fulfilled on time and in full

#### DIVIDEND

The Company has paid an Interim Dividend at Rs. 0.50 per share (5 %) aggregating to Rs. 65,03,756/- plus Dividend Distribution Tax of Rs. 13,36,866/- as per the resolution passed by the Board through Circulation on 11<sup>th</sup> March, 2020. The same was paid on 27<sup>th</sup> March, 2020 to the Members whose name appeared on the Register of Members on the Record Date i.e. 21<sup>st</sup> March, 2020.

In order to preserve the resources for the internal use by the Company, your Directors have not recommended any Final Dividend for the Financial Year ended 31<sup>st</sup> March, 2020. The Interim Dividend paid on 27<sup>th</sup> March, 2020 be treated as Final Dividend.

#### TRANSFER TO RESERVES

The Board of Directors has decided to retain the entire amount of Profit for Financial Year 2019-2020 in the Statement of Profit and Loss aggregating to Rs. 9,787.03 Lakhs.

#### FUTURE PROSPECTS:

The Company has completed the process of digitizing its entire booking process using its digital application. As a result, even during the lockdown conditions, order booking of Rs. 620.51 crores was generated online. In addition, there will be additional orders from customers who have not participated in the online booking process.

The demand condition in the first Quarter have been very positive and we see good prospects and revenue growth using the existing line of products. In addition the Company will introduce high density Zinc tablets, high density NPKs, Neem Oil, small range of pesticides and specially designed nutrients for urban gardens and hydroponic farms.

However, cost conditions are volatile due to the extended lockdown, which covered almost the entire summer and monsoon. This created high logistic costs, unavailability of factory labour and volatile USD and fuel rates. Therefore, Cost Management is a top priority and every step will be taken to control costs and maintain profitability despite of rising cost conditions.

In addition, the Company will reintroduce its products in the international markets. The good progress of monsoon during Kharif 2020 and adequate labour in the rural areas will ensure that revenue growth in the current Financial Year is satisfactory.

#### CREDIT RATING

The Company changed the Credit Rating Agency from M/S **CARE Ratings to BRICKWORK RATINGS**.

The Credit Rating of the Company was revised during the year **BRICKWORK RATINGS** as under:

Facilities	By CARE RATINGS		By BRICKWORK RATINGS		
	Amount (Rs)	Rating	Amount (Rs)	Rating Action	Indication/Significance
Long Term Bank Facilities(Fund Based)	126.60 Cr	CARE BBB-; Stable (Triple B Minus; Outlook: Stable)	135.80 Cr	<b>Revised As BWR BBB (Stable)</b>	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk.
Short Term Bank Facilities(Non Fund Based)	48.45 Cr	CARE A3(A Three)	25.20 Cr	<b>Revised as BWR A3+</b>	Instruments with this rating are considered to have moderate degree of safety regarding timely payment of financial obligations. Such instruments carry higher credit risk as compared to instruments rated in the two higher categories.
<b>Total</b>	175.05 Cr		161.00 Cr		

The rating reflect moderate degree of safety regarding timely servicing of financial obligations.

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

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

#### **SAFETY AND HEALTH**

The health and safety of the employees across its operations remains the highest priority for the Group. All endeavours are being made to enhance safety standards and processes towards minimising safety risks in all operations in the Company. There was no accident or mishap in any of its four factories.

#### **Safety measures for dealing with Covid-19**

1. Strict travel of all employees only by private vehicle/own bike or by bus provided by the company.
2. Every employee to record body temperature before leaving the house using a simple home thermometer and submission of the readings daily on Aries App.
3. The temperature is recorded at entry point of office/depot/branches during arrival and departure of all employees and every person who enters the office/depot/branches.
4. Every person entering the Company premises to compulsorily pass through the sanitizer tunnel and also get UV screened before entering.
5. Social distancing at all times for all employees while in the Company premises.
6. Mandatory wearing of mask for all employees while in the Company premises.
7. Sanitization of workspace at least three times a day.
8. Touch free sanitizers installed all the over the office/depot/branch premises.
9. All meetings are conducted using digital platforms to minimize face to face proximity.
10. Travel history of all employees has been collected. They are advised to report any travel done outside city limits immediately to HR.
11. Instructions given to employees to order a Swab Test immediately, if anyone at home is having COVID-19 symptoms and not to report for duty. Any person staying at home or quarantined due to symptoms is instructed to submit Negative Covid-19 Report while resuming duty.
12. Employees are advised to take immunity boosting medication or home remedies and eat balanced meals, home cooked food.
13. All Aries staff and workers are covered under COVID-19 group insurance to take care of some of the expenses in case of any eventuality
14. Visitors entry are completely banned into the Company premises and in case of anyone visiting, have to compulsorily fill the visitor declaration form in line with the Covid 19 SOP issued by the MOH at least 24 hours prior to the arrival into the Company's premises.
15. Using digital remote working & collaboration platform to ensure full preparedness for sudden lockdowns, if any, in future.

#### **PUBLIC DEPOSITS**

The Company has not accepted any deposits from the Public within the meaning of Section 73 of the Companies Act, 2013 and Members (other than Directors) during the year under review and as such, no amount on account of Principal or Interest on Deposits from Public and Members (other than Directors) was outstanding as on 31<sup>st</sup> March, 2020.

#### **SUBSIDIARIES & ASSOCIATE COMPANIES**

Your Company has four Subsidiaries out of which three are Non-Material Indian Subsidiaries viz Aries Agro Care Private Limited, Aries Agro Equipments Private Limited and Mirabelle Agro Manufacturing Private Limited and one foreign subsidiary namely Golden Harvest Middle East FZC(Amarak Chemicals FZC ceased to be a Step Down Subsidiary during the Year).

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 due to extremely volatile nature of seeds business and had no business activity in the financial year 2019-2020 . The Company incurred expenses to the tune of Rs. 2.62 Lakhs for the Financial Year.

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 due to lack of appropriate distribution network for Farm Equipments and had no business activity in the financial year 2019-2020. The Company incurred expenses to the tune of Rs. 0.60 Lakhs for the Financial Year.

Mirabelle Agro Manufacturing Private Limited was incorporated on 26<sup>th</sup> December, 2019. The Company's business activities did not start during the Financial Year 2019-2020.

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

As regards the overseas subsidiary M/S. Golden Harvest Middle East FZC a Trading Entity, in their Eleventh Year of operation, has not generated any sale and has incurred Loss of AED 35.18 Lakhs (INR 693.28 Lakhs) for the year 2019-2020, since trading revenue did not materialize for licensing reasons.

As required under S. 129(3) of The Companies Act, 2013, annexed hereto are the Audited Financial Statements for the Year ended 31<sup>st</sup> March, 2020 of Golden Harvest Middle East FZC., Aries Agro Care Private Limited, Aries Agro Equipments Private Limited and Mirabelle Agro Manufacturing Private Limited.

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

Apart from the above statement a list of Subsidiary & Group Companies is given in Note No. 36 of the Notes to Accounts, and is forming part of the Annual Report.

All the above Indian Subsidiary and Group Companies are Un-listed and Non-Material Companies as defined under Listing Regulations. There is no Associate or Joint Venture Companies other than as listed above.

#### **INSURANCE**

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

## **DIRECTORS & KEY MANAGERIAL PERSONNEL**

### **DIRECTORS**

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

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

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

Section 149(10) of the Act provides that an Independent Director shall hold office for a term of five consecutive years on the Board and shall be eligible for re-appointment on passing a Special Resolution by the Company and disclosure of such appointment shall be made in its Board's Report. Section 149(11) provides that an Independent Director may hold office for up to two consecutive terms.

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

Familiarisation Programme for Independent Directors---- Though there is no formal Policy for familiarization but the Company in order to familiarize the Independent Directors with the business of the Company presentation was made by the Functional Heads covering Operations of the Company at every Quarterly board meeting and nature and scope of business, nature of industry in which Company operates, profitability and future plans. Regularly at meetings updates are given to the Board. House Journal as and when published is also sent to all the Directors and their feedback are considered. Action Taken Report and Legal Updates are also being placed at every meeting of the Board and Audit Committee just to keep the Directors updated with the latest amendments and Action Taken by the Management.

### **KEY MANAGERIAL PERSONNEL**

Dr. Rahul Mirchandani was appointed as the Managing Director of the Company for a period of 5(Five) years from 4<sup>th</sup> April, 2017 to 31<sup>st</sup> March, 2022 and his remuneration was fixed for a period of 3(three) years from 4<sup>th</sup> April, 2017 to 31<sup>st</sup> March, 2020 by the Board of Directors in their Meeting held on 27<sup>th</sup> April, 2017 pursuant to the recommendation of the Nomination and Remuneration Committee, which was approved by the Members in the 47<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September, 2017.

The period of 3(three) years got over on 31<sup>st</sup> March, 2020, the Board of Directors in their Meeting held on 11<sup>th</sup> February, 2020, pursuant to the recommendation of the Nomination and Remuneration Committee, revised the Remuneration of Dr. Rahul Mirchandani with effect from 1<sup>st</sup> April, 2020 for remainder of his tenure of 2(two) years upto 31<sup>st</sup> March, 2022 subject to the approval of the Members at the ensuing Annual General Meeting and the same forms part of the Notice of ensuing Annual General Meeting.

Mr. S. Ramamurthy, who had attained the Superannuation on 26<sup>th</sup> April, 2013 and was on extended employment till 31.03.2022, relinquishing the position of President and Chief Financial Officer of the Company with effect from the end of the working hours on 5<sup>th</sup> November, 2019 due to his health reasons. Mr. Ramamurthy was

relieved from his position of Chief Financial Officer with effect from the end of the working hours on 5<sup>th</sup> November, 2019.

Mr. Vivek K. Joshi, a Chartered Accountant who was appointed as the Deputy Chief Financial Officer of the Company with effect from 9<sup>th</sup> September, 2019 with the intention of smooth transition to the post of Chief Financial Officer was elevated to the position of Chief Financial Officer of the Company with effect from 9<sup>th</sup> December, 2019.

Apart from the above there were no other change in the Key Managerial Personnel during the year under review. All the Key Managerial Personnel have submitted disclosures and declaration required under the Companies Act, 2013 and Listing Regulations.

### **MEETINGS OF BOARD**

Five(5) Meetings of the Board of Directors were held during the year. For further details, please refer Report on Corporate Governance of this Annual Report.

### **AUDIT COMMITTEE**

The Audit Committee was re-constituted with effect from 16<sup>th</sup> May, 2019 by inducting Mr. C. B. Chhaya in the Committee.

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

### **CSR COMMITTEE**

There was no change in the CSR Committee during the year. The Committee comprises of Dr. Rahul Mirchandani(Chairman), Shri. B. V. Dholakia and Mrs. Nitya Mirchandani. For further details, please refer Report on Corporate Governance of this Annual Report.

### **STAKE HOLDERS RELATIONSHIP COMMITTEE**

There was no change in the Stake Holders Relationship Committee during the year. The Committee comprises of Mr. C. B. Chhaya(Chairman), Dr. Rahul Mirchandani and Mrs. Nitya Mirchandani. For further details, please refer Report on Corporate Governance of this Annual Report.

### **BOARD EVALUATION**

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

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

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

### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS**

The Policy on Directors Appointment and Remuneration including criteria for determining qualifications, positive attributes, independence of Director and also Remuneration for Key Managerial Personnel and other Employees are contained in the Nomination and Remuneration Policy which is hosted at the web site of the Company [www.ariesagro.com](http://www.ariesagro.com) and the same is re-produced in the Report on Corporate Governance.

### DIRECTORS' RESPONSIBILITY STATEMENTS

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

- in preparation of the Annual Accounts, applicable Accounting Standards have been followed and that there are no material departures;
- they have selected such Accounting Policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the State of the Affairs of the Company at the end of the financial year and of the profit of the Company for that year;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the Annual Accounts on a 'going concern' basis;
- they have laid down Internal Financial Controls to be followed by the Company and such Internal Financial Controls are adequate and operating effectively;
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### PARTICULARS OF EMPLOYEES & RELATED DISCLOSURES

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

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

Non- Executive Directors	Ratio to median Remunerations	Directors Remuneration / Sitting Fees Rs. Lakhs
Dr. Jimmy Mirchandani	0.13	0.40
Mrs . Nitya Mirchandani	1.30	4.00
Prof R. S. S. Mani	1.30	4.00
Mr. Chakradhar Bharat Chhaya	1.56	4.80
Mr. Bhumitra Vinodchandra Dholakia	1.36	4.20
<b>Executive Directors</b>		
Dr. Rahul Mirchandani	57.28	176.58

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

Directors, Chief Financial Officer, Company Secretary	% Increase in Remuneration in the Financial Year
Dr. Rahul Mirchandani, CMD	-
Mr. S. Ramamurthy , President & Chief Financial Officer(Relinquished his position w.e.f. 5 <sup>th</sup> November, 2019)	-
Mr. Vivek K. Joshi, Chief Financial Officer(w.e.f. 9 <sup>th</sup> Decmeber, 2019)	-
Mr. Qaiser P. Ansari, Company Secretary & Sr. VP (Legal)	6.56

- The percentage increase in the median remuneration of employees in the financial year; -4.23 %**
- The number of permanent employees on the rolls of Company; 922**
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;**

The average annual increase was around 7.88% after accounting for promotions and other event based compensation revision.

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

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

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

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

**TOP 10 EMPLOYEES IN TERMS OF REMUNERATION DRAWN DURING THE YEAR 2019-20**

Sr. No.	NAME	DESIGNATION	REMUNERATION RECEIVED	NATURE OF EMPLOYMENT	OTHER TERMS & CONDITIONS	NATURE OF DUTY	QUALIFICATION & EXPERIENCE	DATE OF COMMENCEMENT	AGE	Last Employment held	% of Equity Shares held as on 31.03.2020	Whether relative of any Director or Manager and the name of such Director or Manager
1	DR. RAHUL MIRCHANDANI	CHAIRMAN & MANAGING DIRECTOR	17,658,000	CONTRACTUAL	N.A.	MANAGING THE AFFAIRS OF THE COMPANY	B. Com; CFA; MBA; Ph.D	02.02.1994	45	N.A.	22.25	Brother of Dr. Jimmy Mirchandani & Husband of Mrs. Nitya Mirchandani
2	MR. P.K. JAISWAL	SR. VICE PRESIDENT MARKETING	4,515,702	FULL TIME EMPLOYEE	N.A.	MANAGING THE MARKETING ACTIVITIES FOR W.R., N.R. & C.R.	B.Sc.	26.01.1982	62	N.A.	0.01	N.A.
3	MR. S. RAMAMURTHY* Upto 05.11.2019	PRESIDENT & CHIEF FINANCIAL OFFICER	5,540,702	FULL TIME EMPLOYEE	N.A.	FINANCIAL MANAGEMENT OF THE COMPANY	B. Com. C.A.	16.10.1995	67	M/s Micro Plantae Ltd., Desgn - VP (Finance & Accounts)	0.00	N.A.
4	MR. VIVEK JOSHI** w.e.f. 09.09.2019	CHIEF FINANCIAL OFFICER	3,071,330	FULL TIME EMPLOYEE	N.A.	FINANCIAL MANAGEMENT OF THE COMPANY	B. Com., LL.B., FCA	09.09.2019	48	M/s Excel Telesonic (I) Pvt. Ltd.	0.00	N.A.
5	MR. QAISER PARVEZ ANSARI	COMPANY SECRETARY & SENIOR VICE PRESIDENT (LEGAL)	3,138,108	FULL TIME EMPLOYEE	N.A.	COMPANY SECRETARY	B. Com. LLB ACS	02.06.2008	57	M/s Sabero Organics Gujarat Ltd., Desgn - CS & Dy.Gen. Manager (Legal & Taxation)	0.00	N.A.
6	MR. N.E.MOORTHY	SR. VICE PRESIDENT (TREASURY)	2,789,066	FULL TIME EMPLOYEE	N.A.	FINANCE	B. Com. (CA Ent.)	22.09.1983	60	M/s Kolatkar & Dandekar CA, Desgn - Articleship Trainee	0.002	N.A.
7	MR. JAYAPRADEEP SUBRAMANIAN	VICE PRESIDENT (MARKETING) SOUTHERN REGION	4,687,563	FULL TIME EMPLOYEE	N.A.	MARKETING & EXTENSION ACTIVITIES FOR SOUTHERN REGION	M.Sc. MBA	15.11.2013	37	M/s Tata Consultancy Services, Desgn - IT Analyst	0.06	N.A.
8	MR. B.R.PANDEY	SR. VICE PRESIDENT (HR & PERSONNEL)	2,751,197	FULL TIME EMPLOYEE	N.A.	HR & ADMIN	B.Sc. DPMIR	18.01.1982	58	M/s R. B. Vaidya & Co. Desgn - Gen. Assistant	0.01	N.A.
9	MR. ARUN K. TIWARI	MARKETING CONTROLLER	2,632,847	FULL TIME EMPLOYEE	N.A.	MANAGING THE MARKETING ACTIVITIES OF NORTHERN REGION	B. Sc	01.12.1992	52	N.A.	0.00	N.A.
10	MR. SANTOSH KUMAR PANDEY	JUNIOR REGIONAL CONTROLLER	1,439,991	FULL TIME EMPLOYEE	N.A.	MANAGING THE MARKETING ACTIVITIES OF MAHARASHTRA, NIPANI DIVISION	M. Sc (Ag)	26.05.2004	46	N.A.	0.00	N.A.
11	MR. BIPOB CHATTERJEE	SR. VICE PRESIDENT (PRODUCTION)	2,435,605	FULL TIME EMPLOYEE	N.A.	OVER ALL PRODUCTION	B.Sc.	08.12.2009	51	M/s Jaysynth Dye Chem, Desgn - Production Officer	0.00	N.A.

\* Mr. S. Ramamurthy was in employment upto 5<sup>th</sup> November, 2019

\*\* Mr. Vivek K. Joshi was elevated as CFO we.e.f. 09.12.2019

PARTICULARS OF EMPLOYEES IN TERMS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 DRAWING REMUNERATION NOT LESS THAN Rs. 1.02 Crores p.a./Rs. Eight Lakhs Fifty Thousand p.m. DURING THE YEAR 2019-20												
SR. No.	NAME	DESIGNATION	REMUNERATION RECEIVED	NATURE OF EMPLOYMENT	OTHER TERMS & CONDITIONS	NATURE OF DUTY	QUALIFICATION & EXPERIENCE	DATE OF COMMENCEMENT	AGE	Last Employment held	% of Equity Shares held as on 31.03.2020	Whether relative of any Director or Manager and the name of such Director or Manager
1	DR. RAHUL MIRCHANDANI	CHAIRMAN & MANAGING DIRECTOR	17,658,000	CONTRACTUAL	N.A.	MANAGING THE AFFAIRS OF THE COMPANY	B. Com; CFA; MBA; Ph.D	02.02.1994	45	N.A.	22.25	Brother of Dr. Jimmy Mirchandani & Husband of Mrs. Nitya Mirchandani

## ESOPS

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

## RISK MANAGEMENT AND INTERNAL FINANCIAL CONTROLS

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

The Company's Internal Financial Control System is commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by the Statutory as well as Internal Auditors covering all Offices, Factories and Key Business areas. Significant Audit Observations and Follow Up Actions thereon are reported to Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's Internal Control environment and monitors the implementation of the audit recommendations.

Based on the framework of Internal Financial Controls and Compliance System established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors and review performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's Internal Financial Controls were adequate and effective during the Financial Year 2019-20.

## GREEN INITIATIVES

Pursuant to Sections 101 and 136 of the Companies Act, 2013 the Company will be sending Annual Report through electronic mode(email) to all the shareholders who have registered their email addresses with the Company or with the Depository to receive the Annual Report through electronic mode and initiated steps to reduce consumption of paper.

## HUMAN RESOURCES

Humans are considered as one of the most critical resources in the business which can be continuously smoothened to maximize the effectiveness of the Organization. Human resources build the Enterprise and the sense of belonging would inculcate the spirit of dedication and loyalty amongst them towards strengthening the Company's 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 Regulations including payment of Annual Listing Fees upto 31<sup>st</sup> March, 2021 to both the Stock Exchanges.

## CORPORATE GOVERNANCE

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

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

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

### I. CONSERVATION OF ENERGY

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

- a. Energy Conservation measures taken:-
  - i. Close monitoring of consumption of electricity, LPG, Diesel and water.
  - ii. Creating awareness among Workmen to conserve energy.
  - iii. Aries continues power generation through its Solar Power Generation System at its manufacturing unit in Hyderabad.
  - iv. Conversion of boilers in Hyderabad Unit from diesel to solid briquette based fuel.
  - v. Exclusive use of CNG for manufacturing at Chhatral Unit
  - vi. Optimum use of Energy by Switching off Machines, Lights, Fans, Air Conditioners and Exhaust Systems whenever not required

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

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

### Form –A

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

Sr. No.	Particulars	Current Year	Previous Year
		2019-2020	2018-19
(a)	<b>Purchased:-</b>		
	<b>I. Electricity</b>		
	(i) Unit (KWH)	<b>963,859</b>	988,848
	(ii) Total Amount (Rs)	<b>9,630,324</b>	9,236,994
	(iii) Rate/Unit (Rs.)	<b>9.99</b>	9.34
	<b>II Piped Gas</b>		
	(i) Unit(M3)	<b>226,183</b>	334,148
	(ii) Total Amount (Rs)	<b>10,133,418</b>	14,844,779
	(iii) Rate/Unit (Rs.)	<b>44.80</b>	44.43
(b)	<b>Own Generation</b>		
	(i) Coal	Not Applicable	Not Applicable
	(ii) Furnace Oil - KI	-	1,274
	(iii) Internal Generation Units(Generator)	<b>789</b>	173
	(iv) Solar System Units	<b>84,113</b>	55,685

## 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 NS-EN ISO 9001:2015 certified and works on new product development and continuous quality checks. The manufacturing unit at Hyderabad has been equipped with a state of art laboratory to keep pace with the Company's expansion in that region.
- Hydroponic/ Soilless Cultivation has been taken up on the rooftop as a new age method of cultivation in urban set ups
- Develop new markets in the Protected Cultivation sector

#### 2. Objectives

- Innovate and develop products ideally suited for sustainable agriculture
- Develop new production processes to improve the cost effectiveness of its products as well as their agronomical efficiency.
- Develop production processes that utilize renewable and are pollution free.
- Ensure continuous updation of in house knowledge required to develop products and services for the company.
- Source worldwide information related to product development and agriculture best practices
- Develop new age environmental friendly crop management techniques

#### 3. 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.
- Demonstration of a Sustainable urban farm set up to address the issue of pesticide free healthy food

#### 4. Future Plan of Action :

- Conducting scientific research and studies, pilot scale development, trial and testing for development of new products, new process development, improvement in the existing production process etc
- Customized micronutrient fertilizers for export

- Set-up of Demo Farm in Raipur
- Modification of manufacturing process to make it pollution free
- Setting up of Boric acid plant
- Efforts to develop India GAP on commercial crops and try establishing a linkage between farmers and the industry
- Initial work on nano fertilizers

#### 5. Expenditure on R & D

Sr. No.	Description	For the Year ended 31 <sup>st</sup> March 2020 (Amt. in Rs.)	For the Year ended 31 <sup>st</sup> March 2019 (Amt. in Rs.)
I)	Capital	5,77,590	2,04,500
II)	Recurring	1,76,40,382	1,53,10,055
	<b>Total</b>	<b>1,82,17,972</b>	<b>1,55,14,555</b>
	Total R&D expenditure as a % of		
a)	Gross Turnover	0.49	0.48
b)	Net Turnover	0.69	0.58

#### B1. Technology Absorption, Adaptation and Innovation

The Management has focused on productivity and Total Quality Management [TQM] in order to optimize manufacturing costs. The Company continues to be NS-EN ISO 9001:2015 certified.

#### 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 clients are located in Nepal and Taiwan. Sales were booked for Nepal and Taiwan. Distributors in Nepal have put up their own manufacturing unit to support and increase sales and distribution network throughout Nepal. The total exports and global sales constituted 0.08 % of our group revenue during the Financial Year 2019-20. (This adds upto 0.26% including Nepal Exports in INR).

##### 2. Total Foreign Exchange used and earned:

Used : Rs. 31,47,51,871/-

Earned: Rs. 24,67,931/-

#### SPECIAL BUSINESS

As regard to the items of the Notice of the AGM relating to Special Business, the resolutions incorporated in the Notice and the Explanatory Statement relating thereto, fully indicate the reasons for seeking the approvals of members to those proposals. Your attention is drawn to these items and Explanatory Statement annexed to the Notice.

#### VIGIL MECHANISM

The Vigil Mechanism of the Company, which also incorporates a Whistle Blower Policy in terms of the Listing Regulations is in place.

Protected disclosures can be made by a Whistle Blower in writing or through an e-mail, to the Chairman/Member of the Audit Committee.

The Policy on Vigil Mechanism and Whistle Blower Policy may be accessed on the Company's website [www.ariesagro.com](http://www.ariesagro.com).

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

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

#### **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

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

#### **CORPORATE SOCIAL RESPONSIBILITY**

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

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

#### **EXTRACTS OF ANNUAL RETURN**

As provided under Section 92(3) of the Companies Act, 2013 the Extract of the Annual Return is given in **Annexure-III** in prescribed Format MGT-9, which forms part of this Report. The said Extract of the Annual Report is available at the web site of the Company at [www.ariesagro.com](http://www.ariesagro.com). The complete Annual Return is also available on the Company's at [www.ariesagro.com](http://www.ariesagro.com).

#### **AUDITORS & AUDITORS REPORTS**

##### **Statutory Auditors**

M/s. Sandeep Sheth & Associates, Chartered Accountants, Mumbai, (Membership No. 101903 and having Peer Review Certificate issued by the Institute of Chartered Accountants of India), were appointed as the Statutory Auditors of the Company for a period of 5(five) years at the Forty Seventh Annual General Meeting of the Company held on 28<sup>th</sup> September, 2017 and being eligible continue to be the Statutory Auditors.

The Statutory Auditors' Report both with respect to the Standalone and Consolidated Financial Statements do not contain any qualification, reservation or adverse remark. Further that there was no fraud reported by Auditors under sub-section (12) of Section 143 of the Companies Act, 2013 other than those reportable to the Central Government.

##### **Cost Auditors**

The 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 2018-2019.

The due date for filing the Cost Audit Reports in XBRL mode for the financial year ended March 31, 2019 was 31<sup>st</sup> Decmeber, 2019. The Cost Audit Reports were filed by the Cost Auditor on 27<sup>th</sup> December, 2019 within the due date.

Further M/s. R. Nanabhoy & Co., Cost Auditors were re-appointed as the Cost Auditor of the Company for the year ending 31<sup>st</sup> March, 2020 by the Board of Directors at their meeting held on 27<sup>th</sup> May, 2019 after ensuring their eligibility and obtaining the letter of eligibility from them.

The Company's Cost Audit for the Financial Year 2019-2020 is under process and the Company will have the Audit completed within 180 days of the end of the Financial Year-2019-2020 i.e. on or before 27<sup>th</sup> September, 2020 and file the Report within 30 days of the Board Meeting approving the Report.

##### **Secretarial Auditors**

The Board appointed Mr. A. Sekar, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2019-2020. The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed herewith and marked as **Annexure-IV** to this Report.

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

##### **SECRETARIAL STANDARDS**

The Company has in place proper systems to ensure compliance with the provisions of the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

##### **ANNUAL SECRETARIAL COMPLIANCE REPORT**

Pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company obtained the Annual Secretarial Compliance Report for the Financial Year 2019-2020 from Mr. A. Sekar, Practising Company Secretary, the Secretarial Auditor of the Company and the same has been filed with the BSE Limited and the National Stock Exchange of India Limited on 30<sup>th</sup> June, 2020 well within the extended time of 31<sup>st</sup> July, 2020. The Secretarial Auditor has not reported any non-compliance.

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

The Company has zero tolerance towards sexual harassment at the workplace. The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee as per the Sexual Harassment of Women at Workplace Prevention, Prohibition and Redressal) Act, 2013.

There was no complaint received during the year under review.



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

**RESULTS RELATE**

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

**MATERIAL ORDERS PASSED**

No material Orders have been passed by any Authority in respect of any matters with regard to the business of the Company during the Financial Year.

Referring to the Previous Year's Board's Report, classification of Micronutrients relating to the Sanand Unit in the state of Gujarat is pending before Customs, Excise and Service Tax Appellate Tribunal(CESTAT) at Ahmedabad and Order is awaited.

The Commissioner of Central GST & Central Excise and The Commissioner of Custom (NS-V) have passed order against the Company, for Chhatral & Mumbai facilities respectively. However, the Company has in past successfully defended such order at Apex Court. This being similar matter of classification of Chapter heading, Company is confident of getting favorable Order in these matters and hence, does not foresee any material impact.

**GENERAL DISCLOSURES**

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

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of Equity Shares with differential rights as to dividend, voting or otherwise.
3. Issue of Shares (including Sweat Equity Shares) to employees of the Company under any scheme.

4. Buy Back of shares of the Company during the year under review.
5. The Managing Director of the Company does not receive any remuneration or commission from any of its Subsidiaries.
6. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
7. The Company is not required to submit Business Responsibility Report in pursuance of Regulation 34(2)(f) SEBI(LODR) Regulations, 2015.

**STATUTORY DISCLOSURES**

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

**ACKNOWLEDGEMENT**

We would like to acknowledge with gratitude, the support and co-operation extended by Shareholders, Vendors, Media, Registrar and Share Transfer Agent, 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, Depositories, Central Government and respective State Governments. 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: 13<sup>th</sup> August, 2020

**Dr. Rahul Mirchandani**  
**Chairman & Managing Director**  
**DIN-00239057**

**Form No. AOC-2**

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

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

- 1. Details of Contracts or Arrangements or Transactions not at arm's length basis:** Aries Agro Limited has not entered into any Contract or Arrangement with its Related Parties which is not at arm's length during the Financial Year 2019-2020.
- 2. Details of Contracts or Arrangements or Transactions at arm's length basis:**

Sr. No.				
1.	<b>Name(s) of the Relate Party and nature of Relationship</b>	Golden Harvest Middle East FZC-75% Subsidiary	Amarak Chemicals FZC-Step Down Subsidiary	Dr. Jimmy Mirchandani
2.	<b>Nature of Contracts/ Arrangements/ Transactions</b>	Order based Contracts	Order based Contracts	Appointment as a Consultant
3.	<b>Duration of Contracts/ Arrangements/ Transactions</b>	Order based Contracts	Order based Contracts	5 Years from 4th April, 2017 to 3rd April, 2022.
4.	<b>Salient terms of Contracts/ Arrangements/ Transactions including Value, if any</b>	As per the Orders from time to time	As per the Orders from time to time	As a Consultant upto 3rd April, 2022 at a Fee of Rs. 4,00,000/- p.m. and Annual Performance Bonus, the aggregate of total remuneration payable to Dr. Jimmy Mirchandani in any financial year not to exceed Rs. 85,00,000/- (Rupees Eighty Five Lacs only) per annum and on such other terms and conditions as stated in the Consultancy Agreement dated 30th May, 2017
5.	<b>Date of Approval by the Board , if any</b>	Not Applicable, since the Contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable, since the Contract was entered into in the ordinary course of business and on arm's length basis	3rd April, 2017.
6.	<b>Amount received as advances, if any</b>	Rs. 247.39		
7.	<b>Legal and Professional Fee paid</b>			Rs. 84.25

For and on behalf of the Board,

Place: Mumbai  
Date: 13<sup>th</sup> August, 2020

**Dr. Rahul Mirchandani**  
**Chairman & Managing Director**  
**DIN-00239057**

## ANNUAL REPORT ON CSR ACTIVITIES

Particulars	Details																		
1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.	<p>Policy on Corporate Social Responsibility of the Company is broadly framed taking into account the following measures: -</p> <ol style="list-style-type: none"> <li>Welfare measures for the community at large, so as to ensure the disadvantaged sections of the Society obtain maximum benefits.</li> <li>Contribution to the society at large by way of social and cultural development, imparting education, training and social awareness especially with regard to the farming sector for their development and augmenting of farmers' income.</li> <li>Protection and safeguarding of the environment and maintaining ecological balance through a range of ecologically sustainable and cost effective products.</li> <li>Priority is being given on the welfare of the farmers and most importantly on their education and information dissemination for effective crop management.</li> </ol> <p>Subject to overall superintendence of the Board, the Managing Director of the Company has been authorized to exercise powers for according approval for the project within the ceiling limit of said 100% budget. CSR should be broadly implemented by the Company in the areas in which its operating units are located. CSR committee has framed the CSR Policy and modifies from time to time and the Board to implement and monitor CSR activities.</p> <p>The CSR Policy is hosted at <a href="http://www.ariesagro.com">www.ariesagro.com</a> in the Investor Relations Section.</p>																		
2. The Composition of the CSR Committee. ---	Dr. Rahul Mirchandani, Chairman Shri Bhumitra V. Dholakia Mrs. Nitya Mirchandani																		
3. Average Net Profit of the Company for last three Financial Years	<p>Rs. 21,01,71,667/-</p> <table border="1"> <thead> <tr> <th>Financial Year</th> <th>Net Profit as per Section 198 of the Companies Act, 2013 (in Rs.)</th> </tr> </thead> <tbody> <tr> <td>2016-2017</td> <td>18,36,10,773</td> </tr> <tr> <td>2017-2018</td> <td>21,77,58,399</td> </tr> <tr> <td>2018-2019</td> <td>22,91,45,829</td> </tr> <tr> <td>Total Profit</td> <td>63,05,15,001</td> </tr> <tr> <td>Average Net Profit</td> <td>21,01,71,667</td> </tr> <tr> <td>2% of Average Net Profit—amount to be spent during financial year 2019-2020</td> <td><b>42,03,433</b></td> </tr> </tbody> </table>	Financial Year	Net Profit as per Section 198 of the Companies Act, 2013 (in Rs.)	2016-2017	18,36,10,773	2017-2018	21,77,58,399	2018-2019	22,91,45,829	Total Profit	63,05,15,001	Average Net Profit	21,01,71,667	2% of Average Net Profit—amount to be spent during financial year 2019-2020	<b>42,03,433</b>				
Financial Year	Net Profit as per Section 198 of the Companies Act, 2013 (in Rs.)																		
2016-2017	18,36,10,773																		
2017-2018	21,77,58,399																		
2018-2019	22,91,45,829																		
Total Profit	63,05,15,001																		
Average Net Profit	21,01,71,667																		
2% of Average Net Profit—amount to be spent during financial year 2019-2020	<b>42,03,433</b>																		
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	Rs. 42,03,433/-																		
5. Details of CSR spent during the Financial Year.																			
(a) Total amount to be spent for the Financial Year;	Rs. 42,03,433/-																		
(b) Amount unspent, if any;	<b>NIL</b>																		
(c) Manner in which the amount spent during the Financial Year.	<table border="1"> <thead> <tr> <th>Head of Expense</th> <th>Amount</th> <th>Item No. in Schedule VII of the Companies Act, 2013</th> </tr> </thead> <tbody> <tr> <td>Education including Farmers</td> <td>7,50,759</td> <td>(ii)</td> </tr> <tr> <td>Farmers Call Centre</td> <td>8,77,423</td> <td>(x)</td> </tr> <tr> <td>Infrastructure Support</td> <td>9,08,758</td> <td>(x)</td> </tr> <tr> <td>Health Care</td> <td>16,87,464</td> <td>(i)</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>42,24,404</b></td> <td></td> </tr> </tbody> </table>	Head of Expense	Amount	Item No. in Schedule VII of the Companies Act, 2013	Education including Farmers	7,50,759	(ii)	Farmers Call Centre	8,77,423	(x)	Infrastructure Support	9,08,758	(x)	Health Care	16,87,464	(i)	<b>TOTAL</b>	<b>42,24,404</b>	
Head of Expense	Amount	Item No. in Schedule VII of the Companies Act, 2013																	
Education including Farmers	7,50,759	(ii)																	
Farmers Call Centre	8,77,423	(x)																	
Infrastructure Support	9,08,758	(x)																	
Health Care	16,87,464	(i)																	
<b>TOTAL</b>	<b>42,24,404</b>																		

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

For and on behalf of the Board,

Place: Mumbai  
Date: 13<sup>th</sup> August, 2020

**Dr. Rahul Mirchandani**  
Chairman & Managing Director  
DIN-00239057

**Mrs. Nitya Mirchandani**  
Director  
DIN-06882384

**B. V. Dholakia**  
Director  
DIN-01871816

**FORM NO. MGT – 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended 31.03.2020**

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

**I. REGISTRATION AND OTHER DETAILS**

CIN	L99999MH1969PLC014465
Registration Date	27 <sup>th</sup> November, 1969
Name of the Company	ARIES AGRO LIMITED
Category / Sub-Category of the Company	COMPANY LIMITED BY SHARES /INDIAN NON-GOVERNMENT COMPANY
Address of the Registered Office and contact details	Aries House, Plot No. 24, Deonar, Govandi(E), Mumbai-400 043 Phone No. 022 2522 9000/2556 4052/53
Whether listed Company	YES
Name, address and contact details of Registrar and Transfer Agent, if any	<b>AARTHI CONSULTANTS PRIVATE LIMITED</b> 1-2-285, Domalguda, Hyderabad – 500 029, Telangana, India Tel : +91-40-27634445 / 27642217, Fax: +91-40-27632184 E-mail: <a href="mailto:aries@arthiconsultants.com">aries@arthiconsultants.com</a> Website: <a href="http://www.arthiconsultants.com">www.arthiconsultants.com</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No	Name and Description of main products / Services	NIC Code of the Product/ Service	% to total turnover of the Company
1.	Micro Nutrient Fertilizer-Manufactured	20129	68.51
2.	Micro Nutrient Fertilizer-Traded	20129	22.93

**II. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	%tage of Shares held	Applicable Section
1.	Golden Harvest Middle East FZC	Plot P3-04, Post Box No. 9267, Sharjah Airport International Free Zone(SAIF), Sharjah, UAE	N.A.	Subsidiary	75	2(87)(ii)
2.	Aries Agro Care Private Limited	Aries House, Plot No. 24, Deonar, Govandi(E), Mumbai-400 043	U01122MH2007PTC166761	Subsidiary	100	2(87)(ii)
3.	Aries Agro Equipments Private Limited	Aries House, Plot No. 24, Deonar, Govandi(E), Mumbai-400 043	U01403MH2007PTC166972	Subsidiary	100	2(87)(ii)
4.	Mirabelle Agro Manufacturing Private Limited w.e.f. 26.12.2019	Aries House, Plot No. 24, Deonar, Govandi(E), Mumbai-400 043	U24303MH2019PTC335076	Subsidiary	100	2(87)(ii)

**Note:** Amarak Chemicals FZC ceased to be a Step Down Subsidiary during the Year.

**II. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**(i) Category wise shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2019				No. of Shares held at the end of the year 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.PROMOTERS</b>									
<b>(1) Indian</b>									
a) Individual/HUF	6847926	0	6847926	52.66	6847926	0	6847926	52.66	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (1):-</b>	<b>6847926</b>	<b>0</b>	<b>6847926</b>	<b>52.66</b>	<b>6847926</b>	<b>0</b>	<b>6847926</b>	<b>52.66</b>	<b>0</b>
<b>(2) Foreign</b>	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A) (1)+(A)(2)</b>	<b>6847926</b>	<b>0</b>	<b>6847926</b>	<b>52.66</b>	<b>6847926</b>	<b>0</b>	<b>6847926</b>	<b>52.66</b>	<b>0</b>
<b>B. PUBLIC SHAREHOLDING</b>									-
<b>1. Institutions</b>									-
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	19740	0	19740	0.15	487	0	487	0.003	-97.53
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>19740</b>	<b>0</b>	<b>19740</b>	<b>0.15</b>	<b>487</b>	<b>0</b>	<b>487</b>	<b>0.003</b>	
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	625334	0	625334	4.81	331337	0	331337	2.55	-47.01
ii) Overseas	0	0	0	0	0	0	0	0	0
<b>b) Individuals</b>									
i) Individual Shareholders holding nominal share capital upto ` 1 lakh	4005204	118506	4123710	31.71	4332292	110626	4442918	34.16	7.74

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2019				No. of Shares held at the end of the year 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual Shareholders holding nominal share capital in excess of `1 lakh	834841	0	834841	6.42	972354	0	972354	7.48	16.47
c) Others Directors and Relatives	0	0	0	0	0	0	0	0	0
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	0	0	0	0	0	0	0	0	0
ii) Other Foreign Nationals	0	0	0	0	0	0	0	0	0
iii) Foreign Bodies	0	0	0	0	0	0	0	0	0
iv) NRI / OCBs	259294	0	259294	1.99	211386	0	211386	1.63	-18.48
v) Clearing Members / Clearing House	132442	0	132442	1.02	31025	0	31025	0.24	-76.57
vi) Trusts	0	0	0	0	0	0	0	0	0
vii) Limited Liability Partnership	0	0	0	0	0	0	0	0	0
viii) Foreign Portfolio Investor (Corporate)	0	0	0	0	0	0	0	0	0
ix) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
x) NBFCs Regd with RBI	1800	0	1800	0.01	0	0	0	0	-100
xi) IEPF	159252	0	159252	1.22	166906	0	166906	1.28	4.81
<b>Sub-Total (B)(2):</b>	<b>6018167</b>	<b>118506</b>	<b>6136673</b>	<b>47.18</b>	<b>6045300</b>	<b>110626</b>	<b>6155926</b>	<b>47.34</b>	
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>6037907</b>	<b>118506</b>	<b>6156413</b>	<b>47.34</b>	<b>6045787</b>	<b>110626</b>	<b>6156413</b>	<b>47.34</b>	
<b>C. SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>12885833</b>	<b>118506</b>	<b>13004339</b>	<b>100.00</b>	<b>12893713</b>	<b>110626</b>	<b>13004339</b>	<b>100.00</b>	<b>-</b>

(ii) Shareholding of Promoters

Shareholder's Name	No. of Shares held at the beginning of the year 01.04.2019			No. of Shares held at the end of the year 31.03.2020			% Change during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Jimmy Mirchandani	3344830	25.72	0	3254830	25.03	0	-2.69
Rahul Mirchandani	2803221	21.56	0	2893221	22.25	0	3.21
Akshay Mirchandani	361875	2.78	0	361875	2.78	0	0
Amol Mirchandani	335000	2.58	0	335000	2.58	0	0
Nitya Mirchandani	3000	0.02	0	3000	0.02	0	0
<b>Total</b>	<b>6847926</b>	<b>52.66</b>	<b>0</b>	<b>6847926</b>	<b>52.66</b>	<b>0</b>	<b>0</b>

(iii) Change in Promoters' Shareholding

Shareholder's Name	No. of Shares held at the beginning of the year 01.04.2019		Increase/Decrease during the year	No. of Shares held at the end of the year 31.03.2020	
	No. of Shares	% of total Shares of the company		No. of Shares	% of total Shares of the company
Jimmy Mirchandani	3344830	25.72	-90,000*	3254830	25.03
Rahul Mirchandani	2803221	21.56	+90,000*	2893221	22.25

*\*Dr Rahul Mirchandani purchased 90,000 Shares from Dr. Jimmy Mirchandani on 16.08.2019 & 19.08.2019 through Rolling Market. Apart from that there was no change in the Promoter's Shareholding between 01.04.2019 to 31.03.2020.*

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

Sr. No	Shareholder's Name *	Shareholding at the beginning of the year 01.04.2019		Shareholder's Name	Shareholding at the end of the year 31.03.2020	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1	IEPF-MCA	159252	1.22	IEPF-MCA	166906	1.28
2	RAMESH V. SOMANI	89659	0.69	RAMESH V. SOMANI	89659	0.69
3	NAVKAR FINLEASE PVT LTD	70136	0.54	RAJAN VASUDEV DAPKI	75750	0.58
4	KOUSHIK SEKHAR	56400	0.43	NAVKAR FINLEASE PVT LTD	70136	0.54
5	JEEVAN KISHORE BODEPUDI	50005	0.38	VENKATA RATTAIH NALLAMOTHU	50504	0.39
6	HASMUKH PAREKH	50000	0.38	JEEVAN KISHORE BODEPUDI	50005	0.38
7	SRIKANTH DHULIPALA	48000	0.37	HASMUKH PAREKH	50000	0.38
8	EDELWEISS CUSTODIAL SERVICES LTD	46949	0.36	SRIKANTH DHULIPALA	48000	0.37
9	KLR VANIJYA PVT LTD	41983	0.32	KLR VANIJYA PVT LTD	42238	0.32
10	ANGEL BROKING LTD	41145	0.32	KARTAR TAHILRAM BASANTANI	39977	0.31
11	KARTAR TAHILRAM BASANTANI	39977	0.31	VATSAL MANOJ DESAI	35000	0.27

*\* The Shares of the Company are traded on a daily basis and hence the date wise increase/decrease in Share Holding is not indicated. Shareholding is consolidated based on Permanent Account Number(PAN) of the Shareholders.*

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019		Cumulative Shareholding during the year		Date of change in shareholding	Reason for change
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		
1	Dr. Jimmy Mirchandani	3344830	25.72	3254830	25.03	16.08.2019& 19.08.2019	Refer Note below
2.	Dr. Rahul Mirchandani	2803221	21.56	2893221	22.25	16.08.2019& 19.08.2019	Refer Note below
3	Mrs. Nitya Mirchandani	3000	0.02	3000	0.02	NIL	N.A.
4	Prof. R. S. S. Mani	0	0	0	0	NIL	N.A.
5	Mr. C. B. Chhaya	0	0	0	0	NIL	N.A.
6	Mr. B. V. Dholakia	0	0	0	0	NIL	N.A.
7.	Mr. S. Ramamurthy Upto 05.11.2019	0	0	0	0	NIL	N.A.
8.	Mr. Vivek K. Joshi w.e.f. 09.12.2019	0	0	0	0	NIL	N.A.
9.	Mr. Qaiser P. Ansari	5	0	5	0	NIL	N.A.

*\*Dr Rahul Mirchandani purchased 90,000 Shares from Dr. Jimmy Mirchandani on 16.08.2019 & 19.08.2019 through Rolling Market. Apart from that there was no change in the Promoter's Shareholding between 01.04.2019 to 31.03.2020.*

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

**V. INDEBTEDNESS**

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

(Rupees in Lakhs)

Particulars	Secured Loans	Unsecured Loans	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year</b>			
1. Principal Amount	13,455.54	2,674.99	16,130.53
2. Interest Due but not Paid	-	-	-
3. Interest accrued but not due	3.63	8.06	11.69
<b>Total(1+2+3)</b>	<b>13,459.17</b>	<b>2,683.05</b>	<b>16,142.22</b>
<b>Change in Indebtedness during the Financial Year</b>			
1. Addition	-	-	-
2. Reduction	1,043.74	62.33	1,106.07
<b>Net Change (1-2)</b>	<b>1,043.74</b>	<b>62.33</b>	<b>1,106.07</b>
<b>Indebtedness at the end of the Financial Year</b>			
1. Principal Amount	12,413.64	2,610.41	15,024.05
2. Interest Due but not Paid	-	-	-
3. Interest accrued but not due	1.79	10.31	12.10
<b>Total(1+2+3)</b>	<b>12,415.43</b>	<b>2,620.72</b>	<b>15,036.15</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director / Whole Time Director and/or Manager:**

Sr No.	Particulars of Remuneration	Dr. Rahul Mirchandani, CMD (` In Lakhs p.a)	Total Amount (` In Lakhs p.a)
1	Gross Salary		
	(a) Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961	121.50	121.50
	Gross Salary		
	(b) Value of Perquisites u/sec 17 (2) Income Tax Act, 1961	7.29	7.29
	(c) Profits in lieu of salary under section 17 (3) of Income Tax Act, 1961		
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission		
	a. as a % of profit	-	-
	b. Others, specify		
5	Others, Please specify		
	a) HRA	12.96	12.96
	b) Medical	10.13	10.13
	c) LTA	10.13	10.13
	d) Leave Salary	-	-
	e) Contribution to PF	14.58	14.58
	<b>Total (A)</b>	<b>176.58</b>	<b>176.58</b>

**B. Remuneration to other Directors:**

Sr. No.	Particulars of Remuneration	Fee for attending Board/ Committee Meetings (in Lakhs)	Commission) (in Lakhs)	Others, please specify (in Lakhs)	Total Amount (in Lakhs)
1.	<b>Independent Directors</b>				
	Prof. R. S. S. Mani	4.00	-	-	4.00
	Mr. C. B. Chhaya	4.80	-	-	4.80
	Mr. B. V. Dholakia	4.20	-	-	3.00
	<b>Total (1)</b>	<b>13.00</b>	<b>-</b>	<b>-</b>	<b>13.00</b>
2.	<b>Other Non-Executive Directors</b>				
	Dr. Jimmy Mirchandani	0.40	-	-	0.40
	Mrs. Nitya Mirchandani	4.00	-	-	4.00
	<b>Total (2)</b>	<b>4.40</b>	<b>-</b>	<b>-</b>	<b>4.40</b>
	<b>Total (B)=(1+2)</b>	<b>17.40</b>	<b>-</b>	<b>-</b>	<b>17.40</b>
	<b>Total Managerial Remuneration</b>				Rs. 193.98 Lakhs



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

Sr No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (' in Lakhs)
		President and Chief Financial Officer	Chief Financial Officer	Company Secretary and Senior V. P. (Legal)	
		Mr. S. Ramamurthy (' in Lakhs) Upto 05.11.2019	Mr. Vivek K. Joshi (' in Lakhs) w.e.f. 09.12.2019	Mr. Kaiser P. Ansari (' in Lakhs)	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961	15.86	13.40	15.80	45.06
	(b) Value of Perquisites u/ sec 17 (2) Income Tax Act, 1961	-	-	-	-
2	(c). Profits in lieu of salary under section 17 (3) of Income Tax Act, 1961				
	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	a. as a % of profit				
	b. others, specify				
5	Others, Please specify				
	a) HRA	4.76	4.02	4.74	13.52
	b) Conveyance	2.05	2.29	1.35	5.69
	c) Medical	0.44	0.34	0.28	1.06
	d) LTA	2.91	1.12	1.26	5.29
	e) Leave Salary	12.62	-	1.05	13.67
	f) Bonus	2.91	1.12	1.26	5.29
	g) Incentive	11.71	3.91	3.75	19.37
	h) Gratuity	0.24	-	-	0.24
	i) Special Allowance	-	4.52	-	4.52
	j) Contribution to PF	1.90	-	1.90	3.80
	<b>Total</b>	<b>55.41</b>	<b>30.71</b>	<b>31.38</b>	<b>117.50</b>

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

There were no penalties, punishment or compounding of offences for breach of any Section of Companies Act against the Company or its Directors or other Officers in default, if any, during the year ended 31<sup>st</sup> March, 2020.

For and on behalf of the Board,

**Dr. Rahul Mirchandani**  
**Chairman & Managing Director**  
**DIN-00239057**

Place: Mumbai  
Date: 13<sup>th</sup> August, 2020

**SECRETARIAL AUDIT REPORT  
FOR THE YEAR ENDED MARCH 31, 2020**

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representative during the conduct of Secretarial Audit, I hereby report that in my opinion the Company has during the year ended 31<sup>st</sup> March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

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

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

- (i) Applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively.  
During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

### I further report that

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

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

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

I further report that the company has formulated a Compliance Management System to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, which is ongoing and subject of continuous review. Further, based on the compliance mechanism established by the Company and on the basis of compliance certificates issued by the Compliance Officer and taken on record by the Board of Directors, prima facie, it is opined that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. Also, as informed, the Company has responded appropriately to notices received from various statutory authorities / regulatory authorities including initiating actions for corrective measures, where found necessary.

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

During the year under review, the company has promoted a wholly owned subsidiary company, which has been incorporated as a private company on 26<sup>th</sup> December, 2019 in the name of MIRABELLE AGRO MANUFACTURING PRIVATE LIMITED.

PLACE : MUMBAI  
DATE : 26<sup>th</sup> June, 2020

A SEKAR  
COMPANY SECRETARY  
ACS 8649 CP 2450  
UDIN: A008649B000388248

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

#### *'Annexure A'*

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. Following the nation-wide lockdown implemented by the Central and State Governments arising out of COVID-19 situation, the statutory records and extract of the minutes of the meetings of the Board of Directors and their Committees held by the company during the last quarter of the year under review were verified on the basis of soft copies of the documents and records shared by the Company.
3. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, followed by me provide a reasonable basis for our opinion.
4. I have not verified the correctness and appropriateness of financial records, Books of Accounts and records pertaining to direct and indirect taxation of the company, which I believe are the domain of other professionals on whom the responsibility is entrusted by the provisions of the Companies Act, 2013.
5. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

DATE : 26<sup>th</sup> June, 2020  
PLACE : MUMBAI

A SEKAR  
COMPANY SECRETARY  
ACS 8649 CP 2450  
UDIN: A008649B000388248

## REPORT ON CORPORATE GOVERNANCE

### 1. CORPORATE GOVERNANCE PHILOSOPHY

The Company's Corporate Governance is aimed at ensuring Business Sustainability by striking a balance between Economic and Social goals and between Individual and Corporate goals. The Corporate Governance framework is to encourage the efficient use of resources, maintain an accountability and compliance of applicable Laws with a view to enhance value of all the Stakeholders. The Company follows principles governing disclosures and obligations as enshrined in the Regulation 4 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Your Company is fully compliant with the Regulatory Guidelines relating to the Corporate Governance under SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and the Companies Act, 2013.

In compliance with the disclosure requirements of Schedule V to the Regulation 34 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the details are set out below:-

### 2. BOARD OF DIRECTORS

#### (A) Board Composition {2(a) and (c) of Part C of Schedule V}

The Board of Directors of the Company ('the Board') consists of 6 Directors, headed by an Executive Chairman and out of which Five (5) are Non Executive Directors of which Three(3) are Independent Directors, two Non-Executive-Non Independent Directors out of which one is Woman Director. The Independent Directors are eminent professionals, with experience in, Management and Strategy, Human Resources, Banking, Corporate Laws etc. Composition of the Board and category of Directors are as follows:

Name of the Director and (Category)	Directorship in other Companies(Public/Private)*	Membership/Chairmanship of the Committees in other Companies**		Directorship in other Listed Entity( Category of Directorship)
		Chairperson	Member	
Dr. Rahul Mirchandani Chairman & Managing Director (Promoter- Executive Director)	7(3/4)	--	--	--
Dr. Jimmy Mirchandani Director (Promoter- Non-Executive Director)	5(2/3)	--	--	--
Mrs. Nitya Mirchandani Director(Woman Director) (Promoter- Non-Executive Director)	3(2/1)	--	--	--
Prof. R.S.S. Mani Director (Independent- Non-Executive Director)	2(0/2)	--	--	--
Mr. Chakradhar Bharat Chhaya Director (Independent- Non-Executive Director)	1(0/1)	1	--	--
Mr. Bhumitra Vinodchandra Dholakia Director (Independent- Non-Executive Director)	2(1/1)	0	0	--

- \*Directorships in Indian Public/Private Companies (Listed and Unlisted).*
- None of the Directors hold office in more than Eight Listed Entities. None of the Directors serve as an Independent Director in more than Seven Listed Entities. Managing Director does not serve as an Independent Director in any Listed entity.*
- \*\*As required under Regulation 26(1)(b) of the Listing Regulations, the disclosure includes Chairmanship/Membership of the Audit Committee and Stake Holders Relationship Committee in India Public Companies(Listed and Unlisted).*
- During the year none of our Directors acted as Member in more than Ten Committees or as Chairperson in more than Five Committees across all Indian Public Companies(Listed and Unlisted) where he/she is a Director. For this purpose, Committee will include only Audit Committee and Stake Holders Relationship Committee.*

#### (B) Attendance and Other Directorships {2(b), (d) and (e) of Part C of Schedule V}

The Board of Directors met 5(five) times during the year on 27.05.2019, 08.08.2019, 13.09.2019, 13.11.2019 and 11.02.2020. Not more than four months had elapsed between any two meetings. Every Quarter there was a Board Meeting as required under the Articles of Association of the Company. The necessary quorum was present at all the Meetings.

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 31<sup>st</sup> March, 2020 is as follows:-

Name of the Director & Designation and category	Attendance of Meetings during 2019-20		Inter Se Relationship
	Board Meetings Attended	Last AGM held on 30-09-2019	
Dr. Rahul Mirchandani Chairman & Managing Director (Promoter)(CMD)	5	Yes	Brother of NED and Husband of NED
Dr. Jimmy Mirchandani Director (Promoter)(NED)	1	No	Brother of CMD
Prof. R. S. S. Mani Director Non Executive (Independent)	5	Yes	N.A.
Mr. Chakradhar Bharat Chhaya Director Non Executive (Independent)	5	Yes	N.A.
Mr. Bhumitra Vinodchandra Dholakia Director Non Executive (Independent)	5	Yes	N.A.
Mrs. Nitya Mirchandani Director Non-Executive (Promoter)(NED)	5	Yes	Wife of CMD

(C) Details of Equity Shares of the Company held by the Directors as on 31<sup>st</sup> March, 2020 are given below: {2(f) of Part C of Schedule V}

Name of the Directors	Number of Equity Share
<b><u>Executive Directors</u></b>	
Dr. Rahul Mirchandani	28,93,221
<b><u>Non-Executive Directors</u></b>	
Dr. Jimmy Mirchandani	32,54,830
Prof. R. S. S. Mani	NIL
Mr. C. B. Chhaya	NIL
Mr. Bhumitra V. Dholakia	NIL
Mrs. Nitya Mirchandani	3,000

The Company has not issued any Convertible Instruments.

(D) Web link where details of familiarization Program to Independent Director{2(g) of Part C of Schedule V}

The web link for details of familiarization program to Independent Director is <https://ariesagro.com/wp-content/uploads/2020/02/Trng-to-Independent-Directors-17.02.2020.pdf>.

(E) Selection of New Directors and Board Membership Criteria

The Nomination and Remuneration Committee ('NRC') works with the Board to determine the appropriate qualifications, positive attributes, characteristics, skills and experience required for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service. The updated Policy for appointment and removal of Directors and determining Directors' independence is available on our website at [www.ariesagro.com](http://www.ariesagro.com).

#### Key Board Qualifications, Expertise and Attributes

The Directors are committed to ensuring that the Board is in compliance with the highest standards of Corporate Governance. The table below summarizes the key qualifications, skills and attributes which are taken into consideration by the NRC while recommending appointment of Directors to the Board

**Director qualifications, skills, expertise, competencies and attributes desirable in Company's business and sector in which it functions{2(h) of Part C of Schedule V}**

Skills and Attributes	Description
<b>Alignment with Company culture and value system</b>	Exhibit high levels of integrity and be appreciative of the core values of the Company
<b>Experience in Managing Medium Size Corporations</b>	Experience in leading and Managing Medium Size Corporations and have an understanding of the business environment, complex business processes, strategic planning, risk management, etc. Also, possess experience in driving growth with the ability to evaluate opportunities that are in line with the Company's strategy.
<b>Understanding of Industry and Operations</b>	Experience and knowledge of the functioning, operations, growth drivers, business environment and changing trends in the Fertilizer Industries as well as experience in overseeing large supply chain operations.
<b>Understanding of finance and related aspects</b>	Experience in Financial Management of Medium Size Corporations with understanding of capital allocation & funding and financial reporting processes.
<b>Knowledge of technology and innovation</b>	Understanding of emerging trends in technology and innovation that may have an impact on the business and have the ability to guide necessary interventions that can be utilised in making the business more competitive and sustainable
<b>Knowledge of Governance and Law</b>	Understanding of the legal ecosystem within which the Company operates and possess knowledge on matters of regulatory compliance, governance, internal controls. Experience in policy advocacy at national and international level.

**{2(h) of Part C of Schedule V**



- (F) All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) of the Listing Regulations. It is hereby confirmed that in the opinion of the Board, the Independent Directors fulfill the conditions specified in Listing Regulations and are Independent of the Management. **{2(i) of Part C of Schedule V}**
- (G) During the year under review none of the Independent Directors has resigned before the expiry of their tenure. **{2(j) of Part C of Schedule V}**
- (H) **Board Meetings**

The Agenda and Background notes with supporting are circulated to the Directors well in advance of the Board Meetings and Committee Meetings ("Meetings") and additional items with Agenda Notes, if any, are tabled at the course of the Meetings. During the year information as mentioned in Regulation 17(7) of Listing Regulations 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.

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

During the year a separate Meeting of the Independent Directors was held inter-alia to review the performance of Non-Independent Directors and the Board as a whole. The Meeting was held without the presence of Management Staff of the Company.

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

**(l) Code of Conduct**

The Company has adopted a Code of Conduct for the Members of the Board and the Senior Executives including Duties of the Independent Directors in compliance with the provision of Regulation 17(5) of Listing Regulations. All the Members of the Board, Key Managerial Personnel and the Senior Management Personnel have affirmed compliance to the Code of Conduct as on 31-03-2020, and a declaration to that effect signed by the Chairman & Managing Director is attached and forms a part of this Report.

**BOARD COMMITTEES**

**3. AUDIT COMMITTEE**

All the Members of the Committee are Non-Executive and Independent Directors and they are professionals and financially literate within the meaning of Regulation 18 (1) (c) of the Listing Regulations.

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

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

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

**(ii) Composition, Name of Members and Chairperson**

The Audit Committee comprises of the following Directors:

Mr. Bhumitra V. Dholakia	:	Chairman (Independent Director)
Prof. R. S. S. Mani	:	Member (Independent Director)
Mrs. Nitya Mirchandani	:	Member (Non-Independent Director)
Mr. C. B. Chhaya	:	Member (Independent Director)

***The composition of the Audit Committee was changed on 16.05.2019 by inducting Mr. C. B. Chhaya as a Member.***

The Chairman of the Audit Committee remains present at the Annual General Meeting. The previous Annual General Meeting of the Company was held on 30<sup>th</sup> September, 2019 and was attended by Mr. Bhumitra V. Dholakia, Chairman of the Audit Committee.

**(iii) Meetings and Attendance during the year**

The Audit Committee met 5(five) times during the year on 27.05.2019, 08.08.2019, 13.09.2019, 13.11.2019 and 11.02.2020. Not more than four months had elapsed between any two meetings. The necessary quorum was present at all the Meetings. All the five meetings were attended by all the Members of the Audit Committee held during the year under review.

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

**4. NOMINATION AND REMUNERATION COMMITTEE**

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

**(i) The Terms of Reference of the Nomination and Remuneration Committee which are in line with the provisions of the Companies Act, 2013 and Listing Regulations are as under:**

1. To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. To formulate criteria for evaluation of Independent Directors and the Board;
3. to devise a policy on Board diversity;
4. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Director.
6. recommend to the board, all remuneration, in whatever form, payable to Senior Management.

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

Nomination and Remuneration Committee consists of Mr. Chakradhar Bharat Chhaya, Prof. R. S. S. Mani, and Mr. Bhumitra V. Dholakia all Independent Directors, as members. Mr. Chakradhar Bharat Chhaya is the Chairman of the Committee. During the Financial Year 2019-20, the Committee met 4(four) times on 08.08.2019, 30.09.2019, 13.11.2019 and 11.02.2020 and all the Committee Members attended the meetings.

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

(v) **Remuneration Policy**

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

The Nomination and Remuneration Policy of the Company is displayed on Company's web-site i.e. [www.ariesagro.com](http://www.ariesagro.com). and the same is re-produced as under:

**ARIES AGRO LIMITED**  
**NOMINATION AND REMUNERATION POLICY FOR DIRECTORS AND**  
**KEY MANAGERIAL PERSONNEL (KMP)**

**1. Introduction**

*The Company considers human resources inclusive of its Senior Management Team Members as its invaluable Asset. This policy on Nomination and Remuneration of Directors, Key Manager Personnel (KMPs) and Senior Management has been formulated in terms of the provisions of the Companies Act, 2013 and the Listing Agreement in order to attract and retain high-performing and motivated Executives in a competitive corporate world. This will lead to good corporate governance as well as sustained and long-term value creation for Stakeholders.*

**2. Objective and purpose of the Policy**

*The objective and purpose of this policy are:*

- 2.1 To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive / Non-Executive) and recommend to the Board policies relating to the remuneration of the Directors, Key Managerial Personnel and other Employees.*
- 2.2 To formulate the criteria for evaluation of performance of all the Directors on the Board.*
- 2.3 To devise a policy on Board diversity; and*
- 2.4 To lay out remuneration principles for working Directors, Key Managerial Personnel and Senior Management Team Members linked to their effort, performance and achievement in relation to the Company's goals.*

**3. Definitions**

*'Board' means Board of Directors of the Company.*

*'Directors' means Directors of the Company.*

*'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable Listing Agreements and/or Regulations.*

*'Company' means Aries Agro Limited*

*'Independent Director' means a Director referred to in Section 149(6) of the Companies Act, 2013 and Rules.*

*'Key Managerial Personnel (KMP)' means*

- i) Managing Director or the Manager,*
- ii) Whole-time Director;*
- iii) Company Secretary; and*
- iv) Chief Financial Officer*

*'Senior Management' means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Director, including the functional heads.*

*Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and Listing Agreement as may be amended from time to time shall have the meaning respectively assigned to them therein.*

**General**

*This Policy is divided in three parts:-*

**Part – A** *Scope and Applicability*

**Part--B** *Responsibilities and Powers of the Committee and recommended by the Committee to the Board.*

**Part – C** *covers the appointment and nomination; and*

**Part – D** *covers remuneration and perquisites etc.*

*This policy shall become effective from the date of its adoption by the Board and shall be included in the Report of the Board of Directors.*

**Part – A**

**SCOPE AND APPLICABILITY**

- a) Remuneration structures and other terms of employment of Key Managerial Personnel and Senior Management. Personnel.*
- b) Remuneration of Non-Executive Directors*
- c) Selection of the Independent Directors*
- d) Selection of Key Managerial Personnel.*



## Part – B

### RESPONSIBILITIES AND POWERS OF THE NOMINATION AND REMUNERATION COMMITTEE

The following matters shall be dealt with by the Committee in consonance with the principles and requirements enshrined under the Companies Act and the Listing Agreement particularly clause relating to Corporate Governance: ;

(a) *Size and composition of the Board*

*Periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company as a whole;*

(b) *Directors:*

*Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board, when circumstances warrant the appointment of a new Director, having regard to the range of skills, experience and expertise, on the Board and who will best complement the Board;*

(c) *Succession plans:*

*Establishing and reviewing Board and Key Managerial Personnel succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management;*

(d) *Evaluation of performance:*

*i. Make recommendations to the Board on appropriate performance criteria for the Directors.*

*ii. Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company.*

*iii. Identify ongoing training and education programmes for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the options of the business, the industry and their legal responsibilities and duties.*

(e) *Board diversity:*

*The Committee is to assist the Board in ensuring Board nomination process with the diversity of gender, thought, experience, knowledge and perspective in the Board, in accordance with the Board Diversity Policy.*

(f) *Remuneration framework and policies:*

*The Committee is responsible for reviewing and making recommendations to the Board on;*

(a) *The remuneration of the Managing Director, Whole-time Directors and other KMPs*

(b) *The level of remuneration of Non-Executive Directors and for individual remuneration for Non-Executive Directors and the Chairman, including any additional fees payable for membership of Board committees;*

(c) *The remuneration policies for all employees including KMPs, Senior Management and other Employees including base pay, incentive payments, equity awards, retirement rights and service contracts having regard to the need to*

*(i) Attract and motivate talent to pursue the Company's long term growth;*

*(ii) Demonstrate a clear relationship between executive compensation and performance; and*

*(iii) Be reasonable and fair, having regard to best governance practices and legal requirements.*

(d) *The Company's equity based incentive schemes including a consideration of performance thresholds and regulatory and market requirements;*

(e) *The Company's superannuation arrangements and compliance with relevant laws and regulations in relation to superannuation arrangements; and*

(f) *The Company's remuneration reporting in the financial statements and remuneration report.*

(g) *However, the Managing Director or Executive Director jointly or severally shall have right to fix total pay package (remuneration, allowances and perquisites) of all the Key Managerial and Senior Management Personnel (other than Director level) within the frame work of this Policy and periodically report to the Committee which will evaluate the same and if need be recommend variation in the pay package.*

## Part – C

### Policy for appointment and removal of Director, KMPs and Senior Management

#### Appointment criteria and qualifications

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or Senior Management level and recommend to the Board his / her appointment.*
- A person to be appointed as Director, KMP or Senior Management level should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.*
- A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth, complementary skills in relation to the other Board members.*
- The Company shall not appoint or continue the employment of any person as Managing Director / Executive Director who has attained the age of seventy years and shall not appoint Independent Directors who has attained the age of seventy years. Provided that the term of the person holding this position may be extended at the discretion of the committee beyond the age of seventy years with the approval of shareholders by passing a Special Resolution based on the Explanatory Statement annexed to the Notice for such motion indicating the justification for extension of appointment beyond seventy years as the case may be.*

5. A Whole-Time KMP of the Company shall not hold office in more than one Company except in its Subsidiary Company at the same time. However, a Whole-Time KMP can be appointed as a Director in any Company, with the permission of the Board of Directors of the Company.

#### **Term / Tenure**

1. **Managing Director / Whole-time Director**

The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry term.

2. **Independent Director**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's Report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director, provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves, is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time (Executive) Director of a listed Company.

#### **Removal**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other Applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

#### **Retirement**

The Whole-time Directors, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing Policy of the Company. The Board will have the discretion to retain the Whole-time Directors, KMP and Senior Management Personnel in the same position/remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

### **PART – D**

#### **Policy relating to the remuneration for Directors, KMPs and other Employees**

##### **Managing Director, Executive Director or Whole Time Director**

1. The remuneration / compensation / commission etc. to Directors will be determined by the Committee and recommended to the Board for approval.
2. The remuneration and commission to be paid to the Managing Director and/or Executive Directors (Whole Time Directors) shall be as permissible under the provisions of the Companies Act, 2013 and the rules made thereunder.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director Or Executive Director(Whole Time Director) Where any insurance is taken by the Company on behalf of its Managing Director, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

##### **Remuneration to KMPs (other than Directors) and Senior Management Personnel (referred to as Executives)**

The policy on remuneration for KMPs and Senior Management Personnel is as below:

1. **Fixed Pay**

The remuneration and reward structure for Executives comprises three broad components – Annual Remuneration, Variable Pay (Performance Incentive) and Long-Term rewards. The Committee would determine the remuneration of the Directors and formulate guidelines for remuneration payable to the Employees.

These guidelines are as under:

- a) **Annual Remuneration**

Annual Remuneration refers to the annual compensation payable to the employees of the Company. This comprises of two parts – a fixed component, and a performance-linked variable component based on the extent of achievement of the individual's objectives and performance of the business unit. Every employee is required to sign off and accept a target which clearly articulates the key performance measures for the particular defined role. The performance-linked variable pay will be directly linked to the performance on individual components of the performance contract and the overall performance of the business. An employee's variable pay would, therefore, be directly dependent on key performance measures that represent the best interests of shareholders.

The objective is to set the total remuneration at levels to attract, motivate, and retain high-caliber and high potential personnel in a competitive global market. The total remuneration level is to be reset annually based on a compensation with the relevant peer group globally, established through independent compensation surveys from time to time.

- b) **Long-term rewards**

Long term rewards may include Long Term Incentive Plans (LTIP) under which incentives would be granted to eligible Executives based on their contribution to the performance of the Company, relative position in the organization and length of service under the supervision and approval of the Committee. The Company could implement various long term awards schemes that could include Long Term Incentive Programme (LTIP) spread over several years with payouts in multiple tranches linked to the Company's performance. Another form of long term awards could be in the nature of Stock Options of the Company. Stock Options may be granted to key employees and high performers in the organization who would be selected by the Committee based on their criticality, past performance and potential. The grant, vesting and other scheme details would be formulated from time to time.

These long term reward schemes are implemented to attract and retain key talent in the industry.

#### Remuneration to Non-Executive / Independent Directors

##### 1. Remuneration

The remuneration payable to each Non-Executive Director is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of the Companies Act, 2013 and the rules made thereunder and the Listing Agreement.

The remuneration to the Non-Executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

Remuneration structure for Independent Directors – Sitting fees as per the norms of the Company.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the Policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.

This Policy shall be reviewed by the Board on its own or upon the suggestion of the Nomination and Remuneration Committee as and when any changes are to be incorporated in the Policy. Any change or modification in the Policy as recommended by the Committee would be tabled for approval of the Board.

This Policy is updated on 30<sup>th</sup> May, 2014.

##### vi) Performance Evaluation of Directors

Pursuant to applicable provisions of the Companies Act, 2013 and Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee has formulated a framework containing, inter-alia, the criteria for performance evaluation of the Independent Directors, Board of Directors, Committees of Board, Individual Directors including Managing Director and Non-Executive Directors and Chairperson of the Board.

##### Criteria for Appointment of Directors

Appropriate to the Business of the Company and enhancing the effectiveness of the Board are the basis for the NRC to select a candidate for appointment to the Board. When recommending a candidate for appointment, the NRC will have regard to:

- industry experience, background, and other qualities required to the Office of the Director with due regard to the benefits of diversity of the Board;
- ability and inclination to contribute to the overall effectiveness of the Board and work constructively with the existing directors;
- the skills and experience the individual brings to the role and how these will enhance the skill sets and experience of the Board as a whole;
- the past positions held by the individual including directorships or other relationships and ability to exercise independent judgment;
- the time commitment required from a director to actively discharge his duties to the Company

##### vii) Meeting of Independent Directors

1(One) separate meeting of the Independent Directors were held on 11.02.2020, inter-alia, to discuss evaluation of the performance of Non- Independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

##### viii) Tenure of Independent Directors:

All three Independent Directors were appointed for a term of 5(five) years in the Forty Fourth Annual General Meeting held on 26<sup>th</sup> September, 2014 to hold office upto 25<sup>th</sup> September, 2019. Mr. C.B. Chhaya who attained age of 75 years on 9<sup>th</sup> November, 2019 was re-appointed for second term of 5(five) years w.e.f. 01.04.2019 in the 48<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September, 2018. Prof. R. S. S. Mani and Mr. .B. V. Dholakia were re-appointed for second term of 5(five) years w.e.f. 26<sup>th</sup> September, 2019 in the 49<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2019.

#### 5. DETAILS OF REMUNERATION PAID TO THE DIRECTORS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020.

##### i) Managing Director

The Agreement with the Chairman & Managing Director is for a period of 5(Five) Years from 04.04.2017 to 31.03.2022 at a remuneration sanctioned for a period of 3(Three) Years i.e. upto 31<sup>st</sup> March, 2020.

The Board of Directors at their Meeting held on 11<sup>th</sup> February, 2020, pursuant to the recommendation of the Nomination and Remuneration Committee, revised the Remuneration of Dr. Rahul Mirchandani with effect from 1<sup>st</sup> April, 2020 for remainder of his tenure of 2(two) years upto 31<sup>st</sup> March, 2022 and the same forms part of the Notice of ensuing Annual General Meeting.

The total remuneration paid to the Managing Director during the year 2019-20 was as under:

(Rupees)

Name	Salary	Commission	Contribution to Provident Fund/ Gratuity	Total
Dr. Rahul Mirchandani Chairman & Managing Director	1,62,00,000	--	14,58,000	<b>1,76,58,000</b>

Notes:

- a) The Agreement with the Managing Director is for a period of 5(Five) Years from 04.04.2017 to 31.03.2022 at a remuneration sanctioned for a period of 3(Three) Years i.e. upto 31<sup>st</sup> March, 2020. The revision of the Remuneration of Dr. Rahul Mirchandani with effect from 1<sup>st</sup> April, 2020 for remainder of his tenure of 2(two) years upto 31<sup>st</sup> March, 2022 forms part of the Notice of ensuing Annual General Meeting. Either party to the Agreement was entitled to terminate by giving the other party a notice of 3 months.
  - b) The Managing Director is entitled to compensation for loss of office in accordance with and subject to restrictions laid down under Sections 197 and 202 of the Companies Act 2013.
  - c) Presently, the Company does not have a scheme for grant of Stock Options to its Working Directors
  - d) The Managing Director is entitled to Commission within the overall limit prescribed under Section 197 of the Companies Act, 2013.
- ii) **The Non Executive Directors** are not entitled to any Remuneration except payment of Sitting Fees for attending the Meetings of Board of Directors and Committees thereof. During the year 2019-20, the Company has paid total Sitting Fee of Rs. 17,40,000/- to Non Executive Directors as under:

Dr. Jimmy Mirchandani	Rs. 40,000.00
Prof. R. S. S. Mani	Rs. 4,00,000.00
Mr. C. B. Chhaya	Rs. 4,80,000.00
Mr. B. V. Dholakia	Rs. 4,20,000.00
Mrs. Nitya Mirchandani	Rs. 4,00,000.00

Since there is a payment of only sitting fees either the disclosure of the criteria of making other payments to non-executive directors or dissemination of the information on the website has not been made.

- iii) All pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity shall be disclosed in the annual report under the Heading "Related Party Transactions."

#### 6. STAKE HOLDERS RELATIONSHIP COMMITTEE

- i) The Company has a Stake Holders Relationship Committee pursuant to provisions of Section 178(5) of the Companies Act, 2013 and Listing Regulations.
- ii) The Stake Holders Relationship Committee has been constituted to specifically look into redressing the Shareholders and Investors' Complaints or Grievances.
- iii) The Committee met once during the year on 11<sup>th</sup> February, 2020.
- iv) The Composition of the Stake Holders Relationship Committee and details of Meetings attended by its Members are given below:

Name & Position	Category	Number of Meetings during the Financial Year 2019-20	
		Held	Attended
Mr. C. B. Chhaya Chairman	Independent, Non-Executive	1	1
Mrs. Nitya Mirchandani Member	Non-Independent, Non Executive	1	1
Dr. Rahul Mirchandani Member	Non-Independent, Executive	1	1

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

v) The Company has always valued Customer relationship. This philosophy has been extended to Stakeholder Relationship.

vi) **Name & Designation and Address of Compliance Officer:**

Mr. Qaiser Parvez Ansari, Company Secretary is designated as Compliance Officer of the Company.

Aries House, Plot No. 24, Deonar

Govandi(E), Mumbai-400 043

Phone No. 022 2552 9000/2556 4052/53/62580505

vii) A statement of various Complaints received and cleared by the Company during the year ended on 31<sup>st</sup> March, 2020 is given below:

	Nature of Request/Complaint	Opening	No. of Requests/Complaints	Redressed	Pending
	<b>A: REQUESTS</b>				
1.	Receipt of D/W for Revalidation/Correction of Bank Mandate	0	3	3	0
2.	Request for issue of DD against D/W	0	2	2	0
3.	Request for receiving the Notice/Documents in Physical form only	0	1	1	0
	TOTAL	<b>0</b>	<b>6</b>	<b>6</b>	<b>0</b>
	<b>B: COMPLAINTS</b>	0	0	0	0
	Non receipt of Dividend Warrant	0	1	1	0
	TOTAL	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>GRAND TOTAL</b>	<b>0</b>	<b>7</b>	<b>7</b>	<b>0</b>

viii) The "SCORES" website of SEBI for redressing of Grievances of the investors is being visited at regular intervals by the Company Secretary and any Complaint received, is promptly resolved and Action Taken Report filed on SCORES.

ix) As required by the Listing Regulations the E-mail ID of the Investor Grievance Department of the Company is [investorrelations@ariesagro.com](mailto:investorrelations@ariesagro.com).

x) The Web Site address of the Company is [www.ariesagro.com](http://www.ariesagro.com).

## 7. OTHER COMMITTEES (VOLUNTARY DISCLOSURE AND COMPLIANCE)

### a) Corporate Social Responsibility (CSR) Committee

Corporate Social Responsibility(CSR) Committee of Directors as required under Section 135 of the Companies Act, 2013 is comprising of the following Directors:

- i) Dr. Rahul Mirchandani, Non-Independent, Executive
- ii) Mr. Bhumitra V. Dholakia, Independent, Non-Executive
- iii) Mrs. Nitya Mirchandani, Non-Independent, Non Executive

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

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

During the year 1(one) Meeting of the CSR Committee were held on 8<sup>th</sup> August, 2019.

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

Name & Position	Category	Number of Meetings during the Financial Year 2019-20	
		Held	Attended
Dr. Rahul Mirchandani Chairman	Non-Independent, Executive	1	1
Mrs. Nitya Mirchandani Member	Non-Independent, Non Executive	1	1
Mr. Bhumitra V. Dholakia	Independent, Non-Executive	1	1

**b) Treasury Committee**
**Composition of the Committee**

The Treasury Committee was constituted by the Board of Directors of the Company at their meeting held on 28<sup>th</sup> 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. Rahul Mirchandani	:	Chairman
Mr. C. B. Chhaya	:	Member
Mrs. Nitya Mirchandani	:	Member

During the year 3(three) Meeting of the Treasury Committee were held on 18.06.2019, 18.10.2019 and 04.03.2020.

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

Name & Position	Category	Number of Meetings during the Financial Year 2019-20	
		Held	Attended
Dr. Rahul Mirchandani Chairman	Non-Independent, Executive	3	3
Mr. C. B. Chhaya	Independent, Non-Executive	3	3
Mrs. Nitya Mirchandani	Non-Independent, Non-Executive	3	3

**c) Risk Management Committee**

The Company is not required to have the Risk Management Committee as it does not fall under the Top 500 Companies as required by the Listing Regulations.

**8. GENERAL BODY MEETINGS**

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

Financial Year ended	Date	Time	Venue	Details of Special Resolutions
31 <sup>st</sup> March, 2017	28.09.2017	10.00 a.m.	The Chembur Gymkhana, 16 <sup>th</sup> Road, Chembur, Mumbai-400 071	Appointment of Dr. Rahul Mirchandani as the Managing Director for 5(five) years from 4 <sup>th</sup> April, 2017 to 31 <sup>st</sup> March, 2022 and approval of remuneration for a period of 3(three) Years from 4 <sup>th</sup> April, 2017 to 31 <sup>st</sup> March, 2020.
31 <sup>st</sup> March, 2018	28.09.2018	10.00 a.m.	The Chembur Gymkhana, 16 <sup>th</sup> Road, Chembur, Mumbai-400 071	1. Re-appointment of Shri Chakradhar Bharat Chhaya as an Independent Director for a second term of 5 (five) consecutive years on the Board of the Company with effect from April 1, 2019.” 2. Confirmation of Appointment of Dr. Jimmy Mirchandani as a Consultant upto 3 <sup>rd</sup> April, 2022.
31 <sup>st</sup> March, 2019	30.09.2019	10.30 a.m.	The Huddle, Stellar Towers, 12 <sup>th</sup> Floor, Opp: K. Star Mall, Diamond Garden, Chembur, Mumbai-400 071	1. Re-appointment of Prof. R. S. S. Mani as an Independent Director for a second term of 5 (five) consecutive years on the Board of the Company with effect from 26 <sup>th</sup> September, 2019.” 2. Re-appointment of Shri. B. V. Dholakia as an Independent Director for a second term of 5 (five) consecutive years on the Board of the Company with effect from 26 <sup>th</sup> September, 2019.” 3. Approval of the amendment in the terms of the deployment of funds referred to in the Prospectus dated 26 <sup>th</sup> December, 2007 issued by the Company.

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

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

## 9. MEANS OF COMMUNICATION

### Means of Communication:

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

The Quarterly/Half-Yearly and Annual results of the Company are published in the Newspapers and posted on the website of the Company at [www.ariesagro.com](http://www.ariesagro.com). The Company's Financial Results are sent in time to Stock Exchanges so that they may be posted on the Stock Exchanges' website.

#### (ii) Newspaper where results are published

The Company usually publishes its financial results in following newspaper

1. The Business Standard
2. Mumbai Lakhsdeep

#### (iii) Company's Corporate Website

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

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

Quarterly Report for the quarter ended	Submitted to BSE Ltd. Through their portal	Submitted to National Stock Exchange of India Ltd through NEAPS
30 <sup>th</sup> June, 2019	2 <sup>nd</sup> July, 2019	2 <sup>nd</sup> July, 2019
30 <sup>th</sup> September, 2019	4 <sup>th</sup> October, 2019	4 <sup>th</sup> October, 2019
31 <sup>st</sup> December, 2019	6 <sup>th</sup> January, 2020	6 <sup>th</sup> January, 2020
31 <sup>st</sup> March, 2020	25 <sup>th</sup> April, 2020	25 <sup>th</sup> April, 2020

#### (iv) Release of Official News

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

#### (v) Presentation to Institutional Investors or to analysts

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

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

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

## 10. GENERAL SHAREHOLDERS INFORMATION

#### (i) Annual General Meeting

The 50<sup>th</sup> Annual General Meeting of the Shareholders will be held on Thursday, 24<sup>th</sup> September, 2020 at 4.30 p.m. through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM").

#### (ii) Financial Calendar:-

For the year ending 31<sup>st</sup> March, 2021 the Financial Results will be announced on:

First Quarter	:	On or before 14th August, 2020
Half year	:	On or before 14th November, 2020
Third Quarter	:	On or before 14th February, 2021
Yearly	:	On or before 30 <sup>th</sup> May, 2021

#### (iii) Date of Book Closure: - None

#### (iv) Dividend, The Company has paid Interim Dividend @ Rs. 0.50 per Equity Share of Rs. 10/- each on 27<sup>th</sup> March, 2020. No Final Dividend has been recommended by the Board of Directors.

#### (v) Listing: The Equity Shares of the Company are listed on BSE Ltd and National Stock Exchange of India Ltd. ISIN NO. : INE298I01015

#### (vi) Listing Fee: The Listing Fee for the financial year 2019-2020 has been paid to the above Stock Exchanges. *The Listing Fee for the financial year 2020-2021 have also been paid to the above Stock Exchanges.*

#### (vii) Scrip Code : BSE - 532935 NSE - ARIES

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

Monthly Share Price Data of the Company's shares on BSE for the year ended 31<sup>st</sup> March, 2020

Month	Highest		Lowest	
	Rate (Rs.)	Date	Rate (Rs.)	Date
April, 2019	92.30	03.04.2019	75.70	30.04.2019
May, 2019	80.80	29.05.2019	68.00	13.05.2019, 16.05.2019 & 17.05.2019
June, 2019	77.30	03.06.2019	52.00	24.06.2019
July, 2019	67.45	04.07.2019	43.55	31.07.2019
August, 2019	65.15	13.08.2019	41.85	02.08.2019
September, 2019	78.00	16.09.2019	47.35	03.09.2019
October, 2019	68.70	30.10.2019	56.80	07.10.2019
November, 2019	76.85	14.11.2019	62.30	08.11.2019
December, 2019	67.25	31.12.2019	58.00	11.12.2019
January, 2020	77.40	27.01.2020	65.00	01.01.2020
February, 2020	73.50	01.02.2020 & 11.02.2020	53.05	28.02.2020
March, 2020	59.00	02.03.2020	33.55	25.03.2020

Monthly Share Price Data of the Company's shares on NSE for the year ended 31<sup>st</sup> March, 2020

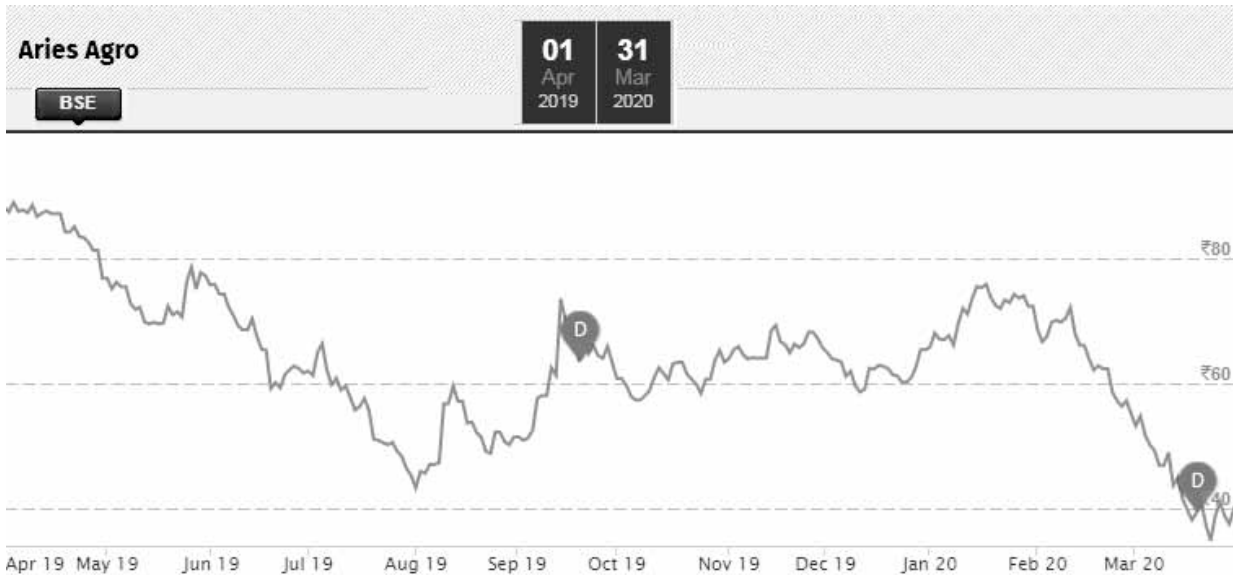
Month	Highest		Lowest	
	Rate (Rs.)	Date	Rate (Rs.)	Date
April, 2019	92.70	03.04.2019	76.35	30.04.2019
May, 2019	80.80	31.05.2019	67.55	22.05.2019
June, 2019	76.70	03.06.2019	57.05	20.06.2019
July, 2019	67.50	04.07.2019 & 05.07.2019	43.60	31.07.2019
August, 2019	65.15	13.08.2019	41.60	02.08.2019
September, 2019	77.35	16.09.2019	49.20	04.09.2019
October, 2019	68.75	30.10.2019	57.05	07.10.2019
November, 2019	73.70	14.11.2019	62.20	04.11.2019
December, 2019	67.30	31.12.2019	58.70	13.12.2019
January, 2020	78.95	17.01.2020	64.55	01.01.2020
February, 2020	73.70	01.02.2020	53.05	28.02.2020
March, 2020	59.90	02.03.2020	34.00	23.03.2020



(xv) Performance in comparison to BSE & NSE Sensex

**BSE**

**Historic Graph of Aries Agro on BSE**



**NSE**

**Historic Graph of Aries Agro on NSE**



(ix) During the year under review the listed securities of the Company have not been suspended from trading by any of the Stock Exchanges.

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

**M/S. AARTHI CONSULTANTS PVT LTD**

**Regd. Office**

1-2-285 Domalguda, Hyderabad – 500029

Tel: 040 27638111 / 27634445 / 27642217 / 66611921

Fax: 040 27632184; Email: [info@arthiconsultants.com](mailto:info@arthiconsultants.com)

(xi) **Share Transfer System**

Requests for dematerialisation and re-materialisation should be sent to the Aarthi Consultants Private Limited,

The Company's Shares are traded on the Stock Exchanges in the compulsory dematerialised form. Shareholders are requested to ensure that their Depository Participants ("DPs") promptly send physical documents, i.e. Dematerialization Request Form ("DRF"), Share Certificates, etc. to the ISD by providing the Dematerialization Request Number ("DRN").

**Dematerialization** As on 31st March 2020, 12893713 Shares of the Company (representing 99.15% of the total shares) were held in the dematerialised form and 1,10,626 Shares (representing 0.85 % of the total shares) were held in the physical form. As on 31st March 2020, the total number of Shareholders were 13,211 out of which 13,040(98.71%) were holding shares in a dematerialised form. The balance 171 (1.29%) shareholders continued to hold shares in the physical form.

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.

**No Physical Transfer of Shares have been effected after 1st April, 2019, in terms of the mandates of the Securities and Exchange Board of India('SEBI') and Ministry of Corporate Affairs('MCA').**

(xii) (1) **Distribution of Share Holding as on 31st March 2020**

SL NO	CATEGORY	HOLDERS	HOLDERS PERCENTAGE	SHARES	AMOUNT	AMOUNT PERCENTAGE
1	1 - 5000	10878	83.98	1352382	13523820	10.40
2	5001 - 10000	1065	8.22	835982	8359820	6.43
3	10001 - 20000	516	3.98	767920	7679200	5.91
4	20001 - 30000	173	1.34	432955	4329550	3.33
5	30001 - 40000	85	0.66	301971	3019710	2.32
6	40001 - 50000	83	0.64	390508	3905080	3.00
7	50001 - 100000	99	0.76	707880	7078800	5.44
8	100001 & Above	54	0.42	8214741	82147410	63.17
	Total:	12953*	100	13004339	130043390	100

*\*Prepared based on the PAN*

(2) **Distribution of shareholding according to categories of shareholders as on 31st March, 2020**

Categories	No. of Shares	Amt. in Rs.	% to Total
Promoters	6847926	68479260	52.66
Directors (Independent)	--	--	--
Financial Institutions/ Banks	487	4870	0.003
Mutual Funds / UTI	--	--	--
NRIs / OCBs/FIIs	211386	2113860	1.63
Other Bodies Corporate	331337	3313370	2.55
Public	5613203	56132030	43.16
<b>Total</b>	<b>13004339</b>	<b>130043390</b>	<b>100.00</b>

(xii) **Details of Demat Shares as on 31st March, 2020**

Name of Depository	No. of Shareholders	No. of Shares	% of Capital
NSDL	7,313	1,01,94,789	78.40
CDSL	5,727	26,98,924	20.75
<b>Sub-Total</b>	<b>13040</b>	<b>12893713</b>	<b>99.15</b>
Physical Mode	171	110626	0.85
<b>Grand Total</b>	<b>13211*</b>	<b>13004339</b>	<b>100.00</b>

*\*Actual Count*

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

(xiv) **Commodity Price Risk or Foreign Exchange Risk and Hedging Activities**

Not Applicable

(xv) **Plant Location: -**

Location	Address
Mumbai, Maharashtra	• ARIES House, Plot No. 24, Deonar, Govandi(E), Mumbai-400 043, Maharashtra
Hyderabad, Telangana	• 244-246, 250-252, IDA Phase-II, Pashamylaram, Patancheru Mandal, Medak Dist;502 307, Telangana
Chhatral, Gujarat	• 1202/1 & 1202/2, Village: Rajpur, Taluka: Kadi, Distt: Mehsana, 382 740, Gujarat
Lucknow Uttar Pradesh	• Plot No. 836, Banthara, Lucknow-Kanpur Highway, Sikandarpur, Tehsil & Distt. Lucknow, U. P., 227 101
Fujairah, UAE	• Amarak Chemicals FZC( an Associate of Golden Harvest Middle East FZC, ceased to be a Step Down Subsidiary of Aries Agro Limited during the Financial Year 2019-20) Al Hayl Industrial Area, P. O. Box 5283, Fujairah Free Zone(FFZ), Fujairah, UAE

(xvi) **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. Aarathi Consultants Pvt. Ltd.  
1-2-285 Domalguda, Hyderabad – 500029  
Tel: 040 27638111 / 27634445 / 27642217 / 66611921  
Fax: 040 27632184 Email: [info@aarthiconsultants.com](mailto:info@aarthiconsultants.com)

- ii) For grievance redress and any query

Mr. Qaiser P. Ansari, Company Secretary & Compliance Officer at the following address

Aries Agro Limited  
Aries House, Plot No. 24,  
Deonar, Govandi (E) Mumbai – 400043  
Tel: 022 25564052 / 53/62580505 Fax: 022 25564054  
Email: [investorrelations@ariesagro.com](mailto:investorrelations@ariesagro.com)  
Web Site: [www.ariesagro.com](http://www.ariesagro.com)

- (iii) SEBI toll-free helpline service for investors: 1800 266 7575/1800 22 7575 (available on all days from 9.00 a.m. to 6.00 p.m.)

(xvii) **Credit Ratings**

The Company changed the Credit Rating Agency from M/S **CARE Ratings to BRICKWORK RATINGS.**

The Credit Rating of the Company was revised during the year **BRICKWORK RATINGS** as under:

Facilities	By CARE RATINGS		By BRICKWORK RATINGS		
	Amount (Rs)	Rating	Amount (Rs)	Rating Action	Indication/Significance
Long Term Bank Facilities(Fund Based)	126.60 Cr	CARE BBB-; Stable (Triple B Minus; Outlook: Stable)	135.80 Cr	<b>Revised As BWR BBB (Stable)</b>	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk.
Short Term Bank Facilities(Non Fund Based)	48.45 Cr	CARE A3(A Three)	25.20 Cr	<b>Revised as BWR A3+</b>	Instruments with this rating are considered to have moderate degree of safety regarding timely payment of financial obligations. Such instruments carry higher credit risk as compared to instruments rated in the two higher categories.
<b>Total</b>	<b>175.05 Cr</b>		<b>161.00 Cr</b>		

The rating reflect moderate degree of safety regarding timely servicing of financial obligations.

**11. DISCLOSURES**

(i) **Related Party Transactions**

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

The Board has approved a Policy for Related Party Transactions.

All the transactions with Related Parties are periodically approved by the Audit Committee. The Register of Contracts detailing transactions in which Directors are interested is placed before the Board at every Meeting for its approval. Transactions with Related Parties, as per requirements of Ind AS 24 are disclosed in Note No. 36 to the Accounts in the Annual Report and they are not in conflict with the interest of the Company at large.

**(ii) Compliances by the Company**

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

**(iii) Whistle Blower Policy: (Vigil Mechanism)**

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

**(iv) Compliance with Mandatory and Non-Mandatory Items**

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

**(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) Shareholders' rights:** Un-Audited Quarterly Financial Results and Summary of Significant Events are posted on the website of the Company.

**(c) Audit Qualification:** The Auditors remarks if any are explained in the Board's Report and necessary actions are also taken by the Company when required. The Company shall endeavor to have unqualified Financial Statements. There is no qualification in the Auditors Report in the current year.

There have been no qualifications by the Auditors in their report on the Accounts of the Company for the last 10(Ten) years. The Company shall endeavor to continue to have unqualified financial statements.

**(d) Separate posts of Chairman and CEO—**The Articles No. 179 of the Articles of Association permits the Managing Director to hold the office of the Chairman.

**(e) Reporting of Internal Auditor** Partner of the firm of Internal Auditor attends the meetings of the Audit Committee regularly and directly interacts with the Audit Committee.

**(v) Web link where Policy for determining Material Subsidiaries is disclosed**

The Company has not formulated the Policy as its three Indian Subsidiaries are not Material and at present they do not have any commercial activity.

**(vi) Web link where Policy on dealing with Related Party Transactions:**

The web link for Policy dealing with Related Party Transactions is at [www.ariesagro.com](http://www.ariesagro.com).

**(vii) Disclosure of Commodity Price Risks and Commodity Hedging Activities**

Not Applicable

**(viii)** No funds were raised, during the year under review, through Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32(7A) of the Listing Regulations.

**(ix)** A certificate from a Company Secretary in Practice is annexed to this Report certifying that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such Statutory Authority.

**(x)** Recommendations of all the Committees, if any, are considered and implemented by the Board from time to time.

**(xi)** Total fees for all services paid by the Company and the Subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part, is given under Note No. 34.1(a) of the Notes to Accounts of Consolidated Financial Statements.

**(xii)** No complaints were received by the Internal Committee from any employee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. For other details kindly refer to the separate Para in the Board's Report.

**12. Non Compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) above**

The Company has complied with all mandatory items of the Listing Regulations. The Company has executed a new Listing Agreement with BSE Ltd and the National Stock Exchange of India Ltd thus complying with Regulation 109 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

14. As per para 13 of Part C of Schedule V to the Listing Regulations, the Company has made disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 on the website of the Company – [www.ariesagro.com](http://www.ariesagro.com).

**15. Declaration regarding Code of Conduct:**

The Members of the Board and Senior Management Personnel have affirmed the Compliance with the Code of Conduct applicable to them during the year ended 31<sup>st</sup> March, 2020. The Annual Report of the Company contains a Certificate by the Chairman and Managing Director in terms of Listing Regulations based on compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management Personnel.

16. Compliance Certificate from the Auditors regarding compliance of conditions of Corporate Governance is annexed with this Report.

**17. Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account**

Not Applicable

**18. CMD/CFO Certification**

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

**19. Reconciliation of Share Capital Audit**

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

20. 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 of the Company as on 31.03.2020
1.	Sreeni Agro Chemicals Ltd.	NIL
2.	Aries Marketing Ltd.	NIL
3.	Blossoms International Ltd.	NIL
4.	Aries East-West Nutrients Pvt. Ltd.	NIL
5.	Amarak Chemicals FZC	NIL

**21. SUBSIDIARY COMPANIES**

A list of Subsidiary Companies is given in Note No. 36 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 two Subsidiary Companies to monitor performance of such Companies. These are not material Subsidiaries as defined under Listing Regulations.

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

**22. UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

During the year Unpaid/Unclaimed Amount of Rs. 3,74,468/- in respect of Unpaid/Unclaimed Dividend-2011-12 was transferred to Investor Education and Protection Fund (IEPF) on 4<sup>th</sup> November, 2019.

Pursuant to Section 124(5) of the Companies Act, 2013 dividend which remains Un-Paid/Un-Claimed for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

In accordance with the provisions of Companies Act, 2013 the Company has transferred 7,654 Equity Shares of 10/- each, to the credit of IEPF Authority, on 5<sup>th</sup> November, 2019, in respect of which dividend had not been paid or claimed by the members for seven consecutive years or more as on the cut-off date, i.e. 5<sup>th</sup> October, 2019. The Company has initiated necessary action for transfer of shares in respect of which dividend has not been paid or claimed by the members consecutively since 2012-13.

The status of dividend remaining unclaimed is given hereunder:

Unclaimed Dividend	Status	Whether it can be claimed	Can be claimed from	Action to be taken
For the Financial Year 2007-08	Transferred to Investor Education and Protection Fund Account	No (As per Section 205C of the Companies Act, 1956, No claim shall lie against the Fund) N.A.	N.A.	N.A.

Unclaimed Dividend	Status	Whether it can be claimed	Can be claimed from	Action to be taken
For the Financial Year 2009-10	Transferred to Investor Education and Protection Fund Account	Yes	(As per Section 125(4) of the Companies Act, 2013 from the IEPF Authority by following the procedure prescribed under Investor Education and Protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules, 2016.	As per the Rules
For the Financial Year 2010-10 (Interim Dividend-2010-11)	Transferred to Investor Education and Protection Fund Account	Yes	(As per Section 125(4) of the Companies Act, 2013 from the IEPF Authority by following the procedure prescribed under Investor Education and Protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules, 2016.	As per the Rules
For the Financial Years 2010-11(Final Dividend-2010-11) to 2018-19	Lying in respective Unpaid Dividend Accounts	Yes	(As per Section 125(4) of the Companies Act, 2013 from the IEPF Authority by following the procedure prescribed under Investor Education and Protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules, 2016.	As per the Rules

Pursuant to the provision of the Investor Education and Protection Fund (Uploading of Information Regarding Un-Paid/Un-Claimed amounts lying with Companies), Rules, 2012, the Company has hosted on its website i.e. [www.ariesagro.com](http://www.ariesagro.com) and on the web site of the Ministry of Corporate Affairs the details of the Unclaimed Dividend as on the AGM dated 30.09.2019.

23. The date of declaration of dividend in respect of Financial Years 2012-13 to 2018-19 and the last date for claiming such dividend is given in the table below:

Financial year	Date of Declaration	Rate	Last Date of Claiming payment from Aarthi Consultants Pvt. Ltd*	Due for Transfer to IEPF
2012-13	30 <sup>th</sup> September, 2013	15%	5 <sup>th</sup> October, 2020	6 <sup>th</sup> October, 2020
2013-14	26 <sup>th</sup> September, 2014	20%	1 <sup>st</sup> October, 2021	2 <sup>nd</sup> October, 2021
2014-15	30 <sup>th</sup> September, 2015	20%	5 <sup>th</sup> October, 2022	6 <sup>th</sup> October, 2022
2015-16	30 <sup>th</sup> September, 2016	15%	5 <sup>th</sup> October, 2023	6 <sup>th</sup> October, 2023
2016-17	28 <sup>th</sup> September, 2017	20%	3 <sup>rd</sup> October, 2024	4 <sup>th</sup> October, 2024
2017-18	28 <sup>th</sup> September, 2018	23%	3 <sup>rd</sup> October, 2025	4 <sup>th</sup> October, 2025
2018-19	30 <sup>th</sup> September, 2019	18%	5 <sup>th</sup> October, 2026	6 <sup>th</sup> October, 2026

\*Indicative dates. Actual dates may vary.

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

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

As per, Section 124(6) of the Companies Act, 2013 all shares in respect of which unpaid or unclaimed dividend has been transferred to IEPF, shall also be transferred to IEPF. Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 amongst other matters, contain provisions for transfer of all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more, in the name of IEPF Suspense Account.

All the Share Holders are requested to claim the Unpaid/Unclaimed Dividends due to them by making an application to M/S. Aarthi Consultants Pvt. Ltd., Registrar and Transfer Agents of the Company or directly to the Company on or before 6<sup>th</sup> October, 2020. In case the Share Holders fail to claim the above dividend, all the concerned shares (whether held in physical or electronic form) will be transferred by the Company to IEPF Suspense Account. Kindly note that Dividend for Financial Year 2011-12 has already been transferred to IEPF.

However, the Share Holders can claim from IEPF Authority both unclaimed dividend amount and the shares transferred to IEPF Account by making an application in Form IEPF-5 online and sending the physical copy of the same duly signed (as per registered specimen signature) along with requisite documents enumerated in the said Form IEPF-5 to the Company at its Registered Office or to M/S. Aarthi Consultants Pvt. Ltd., Registrar and Transfer Agents of the Company for verification of their claim. We shall send a verification report to IEPF Authority for refund of the unclaimed dividend amount and transfer of the shares back to the credit of the shareholder. As per the above mentioned rules, only one such request can be made in one year.

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**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 31<sup>st</sup> March, 2020, as stipulated in Listing Regulations.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations.

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

For **Sandeep Sheth & Associates**  
**Chartered Accountants**

Mumbai  
Date: 13<sup>th</sup> August, 2020

**Sandeep Sheth**  
**Proprietor**  
**Membership No. 101903**  
**UDIN: 20101903AAAACO6933**

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**Declaration by the Chairman & Managing Director to the Compliance of Code of Conduct in pursuance  
of Regulation 26 of the Listing Regulations**

It is hereby declared that the Company has obtained from all the Members of the Board and Senior Management Personnel of the Company, affirmation to the effect that they have complied with the Code of Conduct of the Company during the Financial Year 2019-2020.

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**Dr. Rahul Mirchandani**  
Chairman & Managing Director  
**DIN-00239057**

Date: 13<sup>th</sup> August, 2020

### **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 31<sup>st</sup> March, 2020 and that to the best of our knowledge and belief we state that :-
- i. These Statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading.
  - ii. These statements together present a True and Fair view of the Company's affairs and are in compliance with existing Accounting Standards, Applicable Laws and Regulations.
- (b) We further state that to the best of our knowledge and belief there are no transactions entered into by the Company during the year, which are Fraudulent, Illegal or Violative of the Company's Code of Conduct. We hereby declare that all the Members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- (c) We are responsible for establishing and maintaining Internal Controls for Financial Reporting and for evaluating the effectiveness of the same over the Financial Reporting of the Company and have evaluated the effectiveness of Internal Control Systems of the Company pertaining to Financial Reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of Internal Controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee that:
- i. there have been no significant changes in the Internal Controls over Financial Reporting during the year.
  - ii. there have been no significant changes in the Accounting Policies made during the year and that the same has been disclosed in the Notes to the Financial Statements; and
  - iii. there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an Employee having significant role in the Company's Internal Control System over Financial Reporting.

Mumbai  
26<sup>th</sup> June, 2020

Dr. Rahul Mirchandani  
Chairman & Managing Director  
**DIN-00239057**

Vivek K. Joshi  
Chief Financial Officer  
**Membership No. ACA-101683**

### **CERTIFICATE**

***(Pursuant to Clause 10(i) of Part C of Schedule V of LODR)***

I have examined the relevant Registers, Records, Forms, Returns and Disclosures received from the Directors of ARIES AGRO LIMITED (CIN L99999MH1969PLC014465), having Registered Office at Aries House, Plot No. 24, Deonar, Govandi East, Mumbai 400 043 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its Officers, I hereby certify that as on the date of this certificate, none of the Directors on the Board of the Company, have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place : Mumbai  
Date : 26<sup>th</sup> June, 2020

A SEKAR  
COMPANY SECRETARY  
ACS 8649 CP 2450  
UDIN:A008649B000388261



## Management Discussion and Analysis

### Forward Looking Statements

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

### OVERVIEW

#### OVERVIEW OF INDUSTRY:

The Company is part of the growing specialty plant nutrition industry, which is a niche sector within the crop nutrition segment of agricultural inputs. During the year under review the monsoon was at 110% of the LPA (Long Period Average). Only 5 out of 36 Sub-divisions recorded deficient rainfall. This implies that 85% of the total area of the country received normal or above normal rainfall. This favourable situation continued in July, August and September 2019 after a slightly late monsoon onset during June 2019. Even the Rabi season had favourable reservoir levels and the Company was able to secure winter season business as planned. However, during the month of March – starting March 22<sup>nd</sup> 2020, the nationwide lockdown due to Covid-19 pandemic began and this affected the financial year end business to negligible extent. Effectively the sales for the year closed by 21<sup>st</sup> March 2020 since nothing was open past this day.

On a standalone basis, the Company's gross revenue increased by 15.98% from Rs.320.31 Crores to Rs.371.50 Crores. On a consolidated basis, international sales were suspended due to non-manufacturing in UAE facilities.

#### Manufacturing Base

The total capacity utilization currently stands at 62% of the total installed capacity of 95,400 MT p.a. in India. During the year under review, import substitution continued due to full scale manufacturing at Hyderabad and Chhatral facilities of items that were previously imported. The manufacturing unit at Fujairah, UAE began the process of securing power connection and restarting the machinery for manufacturing of our products. However, due to lockdown conditions, the commencement of production will be delayed by few months. However, it is expected to commence operations in 2020-21. In the meanwhile, fixed costs have been reduced to bare minimum in UAE. Increased focus on the strengthening of the Indian manufacturing base has been extremely beneficial to improve the profitability of the Company.

### HIGHLIGHTS & KEY DEVELOPMENTS

#### HIGHLIGHTS

Financial Year 2019-20 was characterized by a very stable and robust demand scenario and the quarterly share of revenue was as under:

Particulars	Percentage Share in Annual Revenue 2019-20
Q 1	21.94%
Q 2	30.41%
H 1	52.36%
Q 3	28.53%
Q 4	19.11%
H 2	47.64%
Annual	100%

Stringent cost control measures strengthened with a continued focus on domestic manufacturing showed increase in profitability (PAT) by 4.78%.

Orders received during the annual booking bazaars have assisted in better working capital management. Aries flash sales were conducted for the third year running in April – May 2019.

On a consolidated basis, consolidated PAT showed an improvement in line with domestic business.

Annual Bookings for the year 2019-20 were conducted entirely online and the flash sales during April 2019 led to the total booking of Rs.510.71 Crores from 1431 distributors and dealers. This has enabled well-planned manufacturing and distribution throughout the year.

The following seven products were introduced in FY 2019-20

- Canemin
- Soymin
- Grapemin
- Hortistar
- Majorsol (Wheat Special)
- Majorsol (Paddy Plantation Special)
- Trishool (Neem Cake)

#### KEY DEVELOPMENTS

The following were key events during the year;

- 1) Chairman's Club Distributors Meeting and All India Annual Dealers meeting was conducted in Hyderabad in April 2019 with top management, region and state heads and strategic partners to finalize plans for 2019-20.
- 2) Business meeting with International prospects in Brazil in May 2019.
- 3) Southern Region customer meet at Tanjore in June 2019.
- 4) Go Live of the Aries Integrated Order Management System started with Andhra Pradesh / Telangana region in July 2019.
- 5) Annual Rural Marketing Growth Strategy Summit was held in Mumbai in August 2019.
- 6) Aries Excellence Mission to Israel to meet Tel Aviv University, Israel's Ministry of Agriculture and innovative farmers in urban and rural areas of Israel – September 2019.
- 7) Analytical Analysis workshop was conducted by our Quality Control team in September 2019 at our Head Office and 20 Nos. of members of Indian Micro-Fertilizers Manufacturers Association (IMMA) attended this workshop.
- 8) Half Yearly Planning Meeting was conducted in Rishikesh in October, 2019.
- 9) Exploratory business trip to Sri Lanka in October 2019.
- 10) Celebration of Aries Foundation Day on 27<sup>th</sup> November 2019 with Annadanam across the country with Aries Staff in 23

States feeding 1,10,770 number of people in 171 locations with food prepared using crops grown by Aries farmers. We also had a grand celebration of Aries Family Day in Mumbai as a capstone to commemorate this historic occasion

- 11) Aries was invited to speak at the Vibrant Gujarat 2019 in December 2019.
- 12) Strategy Meeting with Andhra Pradesh and Telangana Region at Tirupati in January 2020.
- 13) Planning Meeting for 2020-21 was conducted at Vaishnodevi in February 2020 followed by regional planning meetings in March 2020
- 14) We participated in various exhibitions viz. Krishi Vigyan Kendra - Baramati, Maharashtra, Friends of Trees – Ruia College, Mumbai and Lalbaug Mahotsav at Mumbai. We customized our nutrients into a Grow Box, which is an excellent gifting solution ideal for Corporates and individuals as well. This Grow Box was showcased in these exhibitions. These exhibitions catered to different segments of urban customers such as agriculture enthusiast, nurseries, students, hobby growers and home owners.
- 15) Open interactive session on “New Age Technologies as well as Eco System of Entrepreneurship” with MBA students from Georgetown University’s McDonough School of Business, USA – March 2020
- 16) Apart from the above we had festive and other celebrations throughout the year like Ganesh Chaturthi, Dassera Pooja, Laxmi Pooja, Christmas Celebration, Foundation Day, Family day, Picnic, Potluck Lunch, Sports Day, etc. This enhanced cultural values, brings in spirit of togetherness, increases team spirit and boosts employee morale.

#### Recognition:

- **The Indian Chamber of Food & Agriculture** conferred on the Company the prestigious **India Agri Business Award 2019** for consistently serving the Indian farmers.
- Felicitated by **Zee Business** as the “**Company of the Year 2019 – Agriculture – Dare to Dream Growth Matters**” for our outstanding contribution in the Agri sector.
- For Fifteen consecutive years Aries Quality Management System was audited and certified as NS-EN ISO 9001:2015 with zero non-compliance report showing complete adherence to international quality standards.

#### Global Sourcing

Aries has sourced 25% of its total raw materials from overseas suppliers from Germany, Taiwan, South Korea, UAE, China and USA. Most of the purchases are based on contractual buying.

#### Cost Management

Though trade schemes as a percentage of sales increased by 3.12% overall PAT increased by 4.78% compared to the previous Financial Year. Gross Operating margins (EBIDTA) marginally reduced from 19.81% in FY 2018-19 to 18.23% in FY 2019-20, largely due to increase in cost of raw materials and trade schemes

#### Man Power

The total Man Power of the Company marginally reduced from 924 to 922 during the year under review. Hundred hours of training was made mandatory for all staff in order to be eligible for promotions and also to ensure upskilling. Stringent norms have been set for performance appraisals and manpower costs were in line with pre-sanctioned budgets.

#### GLOBAL DISTRIBUTION:

International clients are located in Nepal and Taiwan. Distributors in Nepal have put up their own manufacturing unit to support and increase sales and distribution network of Aries Products throughout

Nepal. Company endeavours to create export market in other countries and is confident of increasing exports.

#### OUTLOOK:

The year 2020-21 is a land mark year immediately following our Golden Jubilee and the Company being classified under “Essential Commodities” continued to function from April 2020 with workforce as per the lockdown norms. The demand has been extremely strong and by adding several locations in addition to the existing factories, the Company has been able to meet the demand of farming community across India despite lockdown conditions. The year 2020-21 Annual Distributor’s Meet was conducted online with a record number of close to 850 dealers connecting from 26 states on video conferencing platform on 19<sup>th</sup> April 2020. This was followed by App only bookings for the year 2020-21 with record booking of Rs. 620.51 Crores conducted entirely online. We are sure with a conversion of 70 – 75%, expect to achieve Gross revenue of Rs. 440/- Crores in the FY 2020-21. In the current year we shall also introduce high density Zinc tablets, high density NPKs, Neem Oil, small range of Pesticides and specially designed nutrients for urban gardens and hydroponic farms. During the lockdown period, digitization of the entire Company and several processes was completed way ahead of schedule. This included sales, marketing, admin and accounts departments. Automation also assisted in business continuity at the manufacturing facilities and we were able to function with prescribed levels of workforce as notified at various times by the Govt. of India and various State Governments. Despite the lockdown, Vijayawada unit construction was completed ahead of time and machineries is expected to be installed and production to commence during 2020-21. Our R&D farm at Raipur is currently producing 4 crops including Moringa, Turmeric, Cucumber and Tomato. The construction of the first phase of our manufacturing facility at Raipur will also be completed towards the end of 2020-21. Our goal of achieving 100% recyclable packaging has already been achieved and new sustainable packaging solutions are being continuously identified for our flagship brands.

#### SEGMENTWISE / PRODUCTWISE PERFORMANCE

As the Company’s business activity falls within a single primary business segment, the disclosure requirements of Accounting Standard (Ind AS-108) “Operating Segments”, are not applicable.

#### RISK MANAGEMENT & INTERNAL CONTROLS

##### RISK MANAGEMENT

The Company has a Risk Management Policy.

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

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

##### Internal Control System

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

##### Threats and Opportunities

The external factors which could serve as possible threat to the business would include erratic spread of the rainfall and water availability in the reservoirs, fluctuations in oil and gas prices, foreign

exchange rate fluctuations, shortages of key raw materials, pricing pressure, indirect and direct substitutes, etc.

The extended lockdown, which has covered almost the entire summer and monsoon has created risks of high logistic costs, unavailability of factory labour and volatile USD and fuel rates. Therefore cost management is a top priority and every step will need to be taken to control costs and to maintain profitability despite rising cost conditions.

Opportunities would include meeting the high demand in the rural areas, which was highly unaffected by the pandemic. Agri business and farming are perhaps the only areas where lockdown was exempted. The labour, which has moved to the villages from the cities, are also creating additional labour force in the villages, leading to more land area under cultivation. The acceptance of digital methods of information delivery by farmers is creating new opportunities for promoting Aries products with limited visits by sales staff in lockdown conditions. Intensive training and development using virtual means of communication has also been carried out during the lockdown months and this knowledge increase is another emerging opportunity.

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

#### Financial Performance:

The Company's Sales Turnover for the financial year ended March 31, 2020 increased to Rs. 37,150.08 Lakhs from Rs.32,030.91 Lakhs in the previous year, reflecting an increase of 15.98%.

Total expenses for the year was Rs.28,522.03 Lakhs as against Rs. 25,009.09 Lakhs in the previous year.

Profit Before Tax increased to Rs.2,308.80 Lakhs during the year as against Rs. 2,273.98 Lakhs in the previous year.

Tax provision for the year was Rs. 747.73 Lakhs as against Rs. 784.18 Lakhs in the previous year which translates to 2.52 % on FY 19-20 Sales.

Profit After Tax for the year was Rs. 1,561.06 Lakhs as against Rs. 1,489.80 Lakhs in the previous year which is 5.27% of FY 19-20 Net Sales.

Debtors Turnover(on Net Sales) for the year was 125 days as against 137 days in the previous year.

Inventory Turnover(on Net Sales) for the year was 171 days as against 179 days in the previous year.

Operating Profit Margin(on Net Sales) for the year was 18.23 % as against 19.81% in the previous year.

Net Profit Margin(on Net Sales) for the year was 5.27 % as against 5.62% in the previous year.

#### RESOURCES AND LIQUIDITY:

As on March 31, 2020, the Net Worth of the Company stood at Rs.16,817.20 Lakhs as against Rs. 15,679.80 Lakhs.

As on March 31, 2020, the Company had a Debt / Equity ratio of 0.89. The Company has not raised any Deposits from the public.

As on March 31, 2020, Interest Coverage Ratio was 2.11 as against 1.92 in the previous year.

As on March 31, 2020, Current Ratio was 1.44 as against 1.41 in the previous year.

#### DISCLOSURE OF ACCOUNTING TREATMENT

The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

#### HUMAN RESOURCES:

As at the end of the financial year there were 922 employees under the permanent rolls and 300 plus under contract. We have an ongoing arrangement with few labour supplier organizations for our various locations.

We have 122 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 2019-20
1.	Skilled	19
2.	Semi-Skilled	9
3.	Unskilled	94
	<b>Sub- Total</b>	<b>122</b>
4.	Contract Labour	300
	<b>TOTAL</b>	<b>422</b>

The Department wise breakup of our manpower is as under:

Sr. No	Name of the Department	No. of Staff 2019-20
1.	Directors	01
2.	Accounts, Personnel & Administration, Legal & Secretarial	165
3.	Production(Staff and Workers), R&D and Spray Dryer Operators	172
4.	Sales	584
	<b>TOTAL</b>	<b>922</b>

#### 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:

- The Solar Power Generation System at its manufacturing unit in Hyderabad has generated 84,113 units of power during the Financial Year 2019-20, of which 71,154 units were consumed by the facility and the balance 12,959 units were sold to the grid.
- 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
- All our packaging for powders and liquids have been converted into 100% recyclable forms. Fourteen number of Aries products are organic

##### Non Polluting:

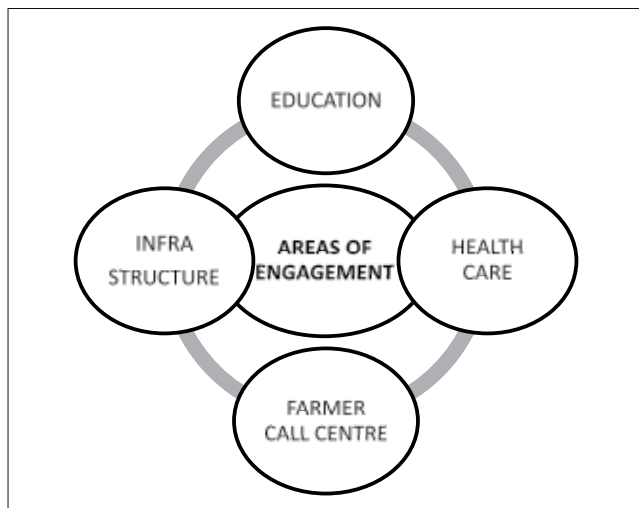
- All Aries factories have zero effluents and produce no harmful emissions

## REPORT ON CORPORATE SOCIAL RESPONSIBILITY

### CSR AT ARIES AGRO LIMITED

Aries continues its tradition of carrying out a range of activities that spread knowledge and adoption of farming best practices in the markets that Aries functions in. The Company has carried out a range of projects during the financial year 2019-20 in addition to some philanthropic activities.

### FOCUS AREAS OF ENGAGEMENTS



#### Unique Programmes:

##### EIQ (Environmental Intelligence Quotient)

India is far behind most others when it comes to preserving the environment and the ecology. EIQ is a test for both the faculty and kids of schools to create awareness. This imbues young students to take care of the Environment and provide an awareness score for each school. Aries conducted EIQ test in 50 schools in Mumbai to create awareness about the Environment.

##### Food for Health: Combating Hunger:

Aries Foundation Day was marked on 27<sup>th</sup> November 2019 with Annadanam across the country with Aries Staff in 23 States feeding 1,10,770 number of people in 171 locations with food prepared using crops grown by Aries farmers. The objective was to combat hunger in remote areas and towns across India.

##### Aries Greencups

Aries Greencups was an effort to build awareness amongst the children in urban and semi urban areas to the concept of growing food. This concept was introduced in FY 2018-19. As there was a rising demand for the same, we continued this activity during FY 2019-20 also. The unique concept of soil-less cultivation was taught to the students and school faculty.

##### Aries Water Wheel:

Aries Water Wheel is an endeavor to effectively deliver potable water over long distances. It is particularly useful in areas where portable water is scarce. In a single trip with the wheel, women can transfer 45litres of water which is 3-5 times more as compared to the traditional methods including carrying heavy loads on their heads

over long distances. This initiative by Aries helps women in rural areas to free-up time and hence engage in more fruitful activities to boost family income. 450 families and their neighborhoods were benefitted through this activity.

##### Farmers Call Centre:

The Company's Call Centre based in Vijayawada continued to provide answers to farmer's queries and provided direct interaction with consumers. During the year under review, 9728 number of farmers called the call center at Vijayawada with queries on integrated nutrient management, pest management, soil health and postharvest management, etc were answered by the four call center executives. In addition, the Company has added call center numbers on all literature and promotional materials and is extending the reach of this call center to other states across India.

##### Spreading Knowledge:

- Aries' extension team continues to strongly advocate good agricultural practices in all states of India. The activities are conducted under the supervision of an Agronomist and Agricultural Research Institutions throughout the year. During the year under review 32,232 knowledge dissemination activities including farmers meeting were undertaken impacting 1,45,000 number of farmers. These sessions were conducted by our team of Sales & Extension officials spread across 26 states.
- Farmers' meeting and training programmes on good agricultural practices were conducted at Andhra Pradesh, Telangana, Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Rajasthan, Haryana, Uttar Pradesh, Himachal Pradesh, Punjab, Bihar, Odisha, Jharkhand, West Bengal, Tamil Nadu, Kerala, Jammu & Kashmir, Mizoram and Manipur. The unique feature of these events have been that they had participation on a common intellectual platform from top government officials, opinion leaders, academia, research scholars, scientists, agribusiness students and farmers from across the states. These activities exposed farming community to latest plant nutrition concepts.

##### Scholarships:

- The Company also provided fees and scholarships to students from Our Lady of Perpetual Succour High School, Mumbai,
- Founder's Excellence Award in academics to meritorious children.
- In addition, amounts were distributed in R. A. Podar College of Commerce & Economics, Matunga, Mumbai as donations to the meritorious students in the Bachelor of Management Studies programme. The Company has been donating similarly since the last 17 years in the name of Aries' founder, Late Bala Mirchandani.

##### Flood / Drought Relief:

The Company in coordination with GOONJ transported relief materials to Kolhapur, Maharashtra for distribution to the flood affected people. The relief material included: Blankets, Groceries, Medicines, Hygiene products, Footwear, etc. The staff also contributed upto a day's salary to the relief fund.

##### Soil Testing Services

The Company has organized during the year soil testing camps in North Karnataka, Andhra Pradesh and Telangana using Mobile Soil Testing Kits which analyse 10 parameters including pH, EC, NPK levels in soil, micro nutrient levels including Zinc, Ferrous, Boron, Organic Carbon, etc. Approximately 3257 Soil Health Cards were

issued to farmers providing an additional service in order that they understand the specific nutrient needs of their farms.

#### Influencer Relations

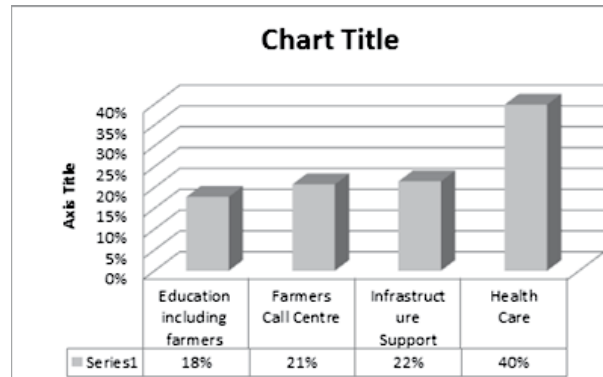
During the year the Company represented at various industry bodies including Confederation of Indian Industry's Agricultural Council, Confederation of Indian Industry's Innovation Council, Indian Micro-Fertilizers Manufacturers Association (IMMA) and Fertilizer Association of India (FAI). At these forums, 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.

CSR ACTIVITIES- IMPACT ANALYSIS	
BUSINESS STRATEGY	<ul style="list-style-type: none"> <li>Increasing awareness amongst customers in balanced nutrition</li> <li>Awareness of balanced crop nutrition in urban areas</li> <li>Goodwill in growth markets</li> </ul>
CSR VISION	Farmers and their communities will have a higher standard of living in an environment that is healthy and sustainable.
MISSION	<ul style="list-style-type: none"> <li>Welfare measures for employees &amp; families.</li> <li>Social and Cultural Development by way of education and training, especially with regards to farming.</li> <li>Environmental sustainability</li> <li>Awareness of environmental problems.</li> <li>Combating hunger in remote areas and among urban poor.</li> </ul>
OBJECTIVES	Make tangible progress using specific projects carried out with focused plans.
ACTIVITIES	<ul style="list-style-type: none"> <li>Farmer's Education including farmers meeting</li> <li>Distribution of Green cups to the students</li> <li>Academic Sponsorships to schools</li> <li>Support Services to schools</li> <li>Combating hunger on Aries Foundation Day</li> <li>Distribution of groceries, medicines, blanket, hygiene products for Kolhapur (Maharashtra) flood victims.</li> </ul>

IMPACT	Aries with its extensive distribution network has so far impacted around 11 Lakhs farmers and the community at large through various initiatives taken up under our CSR activities
COMMUNICATION	<ul style="list-style-type: none"> <li>Website</li> <li>Extension activities</li> <li>Social Media</li> <li>Training Session</li> </ul>

#### CSR EXPENDITURE DURING THE YEAR 2019-20

Head of Expense	Amount (Rs.)
Education including farmers	7,50,759/-
Farmers Call Centre	8,77,423/-
Infrastructure Support	9,08,758/-
Health Care	16,87,464/-
<b>TOTAL</b>	<b>42,24,404/-</b>



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.

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## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ARIES AGRO LIMITED

#### Report on the Audit of the Standalone Financial Statements

##### Opinion

We have audited the accompanying standalone financial statements of Aries Agro Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	Auditor's Response
<p><b>Evaluation of uncertain tax positions</b></p> <p>The Company has material uncertain direct and indirect tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.</p> <p>The Company has disclosed in contingent liabilities (to the extent not provided for) towards direct and indirect tax position.</p> <p>Refer Notes 4 (M) and 37 to the Standalone Financial Statement</p> <p>The Company undergo assessment proceedings from time to time with direct and indirect tax authorities. There is a high level of judgment required in estimating the level of provisioning and/or disclosure required.</p> <p>The management's assessment is supported by the advice from independent tax consultants and legal consultants, where considered necessary by the management. Accordingly, unexpected adverse outcome, if any, could impact significantly the company's reported profit and balance sheet position.</p>	<p><b>Principal Audit Procedures</b></p> <p>Obtained details of completed tax assessment and demands for the year ended March 31, 2020 from management. We involved company's legal and tax consultants to challenge the management's underlying assumptions in estimating the tax provision, liabilities and the possible outcome of the disputes. Company's legal and tax consultants also considered legal precedence and other ruling evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax position as at April 1, 2019 to evaluate whether any change is required to management's position on these uncertainties.</p> <p>We did not identify any material exception as a result of above procedure relating to management's assessment of provisions.</p>

#### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of Auditor's Report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate

to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books (and proper returns adequate for the purpose of our audit have been received from branches not visited by us).
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of accounts.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Sandeep Sheth & Associates**  
Chartered Accountants  
(Firm's Registration No. 120685W)

Date: 26<sup>th</sup> June, 2020  
Place: Mumbai

**Sandeep Sheth**  
Proprietor  
Membership No.101903)



## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

The Annexure referred to in our Independent Auditors’ Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March 2020, we report that:

- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) These fixed assets were physically verified by the management at reasonable intervals. We have been informed that no material discrepancies were noticed on such physical verification.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- ii. According to the information and explanations provided to us, the stock of inventory has been physically verified during the period by the management at reasonable intervals. No material discrepancies were noticed on physical verification of stocks as compared to book records, however our attendance at the physical inventory verification done by management was impracticable under the current lock-down restrictions imposed by the government and we have therefore, relied on the related alternate audit procedure to obtain comfort over the existence and condition of inventory at year end. Our opinion is not modified in respect of this matter.
- iii. The Company has granted loans to parties covered in the Register maintained under Section 189 of the Act, 2013
  - (a) As per information and explanation provided to us, the rate of interest and other terms and conditions on which the loans granted by the Company to the bodies corporate listed in the register maintained under section 189 of the Act were not, prima facie, prejudicial to the interest of the company.
  - (b) As per information and explanation provided to us, in the case of loans granted by the company to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of principal and interest as stipulated wherever applicable.
  - (c) As per the information given by the management, there are no overdue amounts in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments made.
- v. According to the information and explanations provided by the company, The Company has not accepted deposits from the public.
- vi. The Company has appointed a cost accountant firm to carry out the Cost Audit. We have reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2014 prescribed by the Central Government under section 148 (1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing statutory dues including Provident Fund, Employee State Insurance, Income Tax, Goods and Service Tax, Custom Duty, Cess and any other material statutory dues except occasional/ minor delays. As per the information given by the management and apparent from the records the undisputed liabilities as on 31<sup>st</sup> March 2020 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, Goods and Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess together with the status and the Forum before which such dispute is pending as on 31<sup>st</sup> March 2020 is as per Annexure I.
- viii. The company has not defaulted in repayment of loans or borrowing to a financial institution, banks, or Government. The Company has not obtained any borrowings by way of issue of debentures.
- ix. According to the information and explanation provided to us, the company did not raise any money by way of initial public offering or further public offer (including debt instruments). The company has taken term loans which have been utilized for the purpose for which such loans were obtained.
- x. During the course of our examination of books and records of the company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor we have been informed of any such case by the management.
- xi. According to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for managerial remuneration in accordance with the requisites approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

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

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

For **Sandeep Sheth & Associates**  
Chartered Accountants  
(Firm's Registration No. 120685W)

Date: 26<sup>th</sup> June, 2020  
Place: Mumbai

**Sandeep Sheth**  
Proprietor  
(Membership No.101903)

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

#### **Details of disputed statutory dues outstanding as on 31<sup>st</sup> March 2020**

<b>Nature of Dues</b>	<b>Period to which payment relates</b>	<b>Forum where the dispute is pending</b>	<b>Particulars of Dispute</b>	<b>Tax Outstanding Rs.</b>
Sales Tax (Lucknow)	2013-14	The Additional Commissioner – Grade II (Appeals), Commercial Tax, Lucknow (U.P.)	Disallowance of legitimate claim of goods return and levied VAT on Branch transfer and incorrect enhancement of sales turnover.	13,08,936
Sales Tax (Bihar)	2014-15	The Additional Commissioner of States Tax (Appeal), Patna West Circle, Patna.	Incorrect, Perverse and arbitrary disallowance of Tax Free / Exempted Sales, Levy of VAT on Transfers Inward of the Sprayers.	2,13,274
Sales Tax (Haryana)	2013-14	The Hon'ble High Court of Punjab and Haryana at Chandigarh	Incorrect and perverse orders on classification of Micronutrient fertilizers.	14,00,869
Sales Tax (Haryana)	2014-15	The Hon'ble High Court of Punjab and Haryana at Chandigarh	Incorrect and perverse orders on classification of Micronutrient fertilizers.	9,53,734
Sales Tax (Gujarat)	2012-13	Gujarat VAT Tribunal at Ahmadabad.	Reduction of ITC on consumption of fuel and branch transfers. (Applied for Amnesty Scheme)	64,291
Sales Tax (Gujarat)	2013-14	Gujarat VAT Tribunal at Ahmadabad.	Reduction of ITC on consumption of fuel and branch transfers. (Applied for Amnesty Scheme)	446,131
Sales Tax (Gujarat)	2014-15	Gujarat VAT Tribunal at Ahmadabad.	Reduction of ITC on consumption of fuel and branch transfers. (Applied for Amnesty Scheme)	6,00,772
			<b>Total</b>	<b>49,88,007</b>
Income Tax	2010-11	Commissioner of Income Tax (Appeals) XXII, Mumbai	Disallowance of deduction u/s 35D	30,98,360
Income Tax	2011-12	High Court of Bombay	(1) Transfer Pricing adjustment (2) Disallowance u/s 2(24)(x) r.w.s. 36(1)(va)	2,12,74,249
			<b>Total</b>	<b>2,43,72,609</b>
Central Excise & Customs	2011-12 & 2012-13	Central Excise & Service Tax Appellate Tribunal (CESTAT)	Classification of Goods Imported	29,91,582 + 29,91,582(Penalty)
Central Excise & Customs	March 2011 to October 2012	Central Excise & Service Tax Appellate Tribunal (CESTAT)	Classification of Goods Manufactured	3,81,04,558+ 3,81,04,558(Penalty)
Central Excise & Customs	June 2005 to Jun 2017	Central Excise & Service Tax Appellate Tribunal (CESTAT)	Classification of Goods Manufactured	4,79,90,362 + 4,79,90,362 (Penalty)
Central Excise & Customs	October 2012 to Jun 2017	Central Excise & Service Tax Appellate Tribunal (CESTAT)	Classification of Goods Manufactured	13,84,20,563 + 13,84,20,563 (Penalty)
Central Excise & Customs	Feb 2012 to Dec 2012	Central Excise & Service Tax Appellate Tribunal (CESTAT)	Classification of Imported Goods	81,84,792
			<b>Total</b>	<b>46,31,98,922/-</b>

## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

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

We have audited the internal financial controls over financial reporting of **Aries Agro Limited** (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls

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

#### Auditor’s Responsibility

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

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

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

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Sandeep Sheth & Associates**  
Chartered Accountants  
(Firm’s Registration No. 120685W)

**Sandeep Sheth**  
Proprietor

Date: 26<sup>th</sup> June, 2020  
Place: Mumbai

(Membership No.101903)  
UDIN 20101903AAAABR6871

## Balance Sheet as on 31st March, 2020

(Amounts in Rupees unless stated otherwise)

Particulars	Note Nos.	As at 31st March 2020	As at 31st March 2019
<b>I. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant and Equipment	5	413,566,087	383,290,813
(b) Right of Use Asset	5	63,787,060	-
(c) Capital Work in Progress		121,148,396	145,216,316
(d) Intangible Assets	5	2,253,901	2,752,412
(e) Financial Assets			
(i) Non-Current Investments	6	202,804,000	202,704,000
		<b>803,559,444</b>	<b>733,963,541</b>
<b>(2) Current Assets</b>			
(a) Inventories	7	1,380,306,872	1,297,868,174
(b) Financial Assets			
(i) Trade Receivables	8	1,015,866,713	993,220,106
(ii) Cash & Cash Equivalents	9	4,807,386	41,250,442
(iii) Other Bank Balances (Fixed Deposits)	10	33,006,994	41,841,506
(iv) Current Loans	11	994,674,206	837,952,148
(v) Other Current Financial Assets	12	1,124,062	1,638,311
(c) Other Current Assets	13	311,312,025	301,487,711
		<b>3,741,098,258</b>	<b>3,515,258,398</b>
<b>TOTAL</b>		<b>4,544,657,702</b>	<b>4,249,221,939</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share Capital	14	130,043,390	130,043,390
(b) Other Equity	15	1,551,676,865	1,437,936,790
		<b>1,681,720,255</b>	<b>1,567,980,180</b>
<b>(2) Non-Current Liabilities</b>			
(a) Financial Liabilities			
Non Current Borrowings	16	143,387,662	132,694,137
Other Non-Current Liabilities	17	42,113,302	-
(b) Non Current Provisions	18	28,323,675	20,561,290
(c) Deferred Tax Liabilities (Net)	19	42,614,909	38,612,684
		<b>256,439,548</b>	<b>191,868,111</b>
<b>(3) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Current Borrowings	20	1,304,898,537	1,437,830,008
(ii) (a) Trade Payables - Total outstanding dues of Micro & Small Enterprises	21	105,355,191	81,740,659
(b) Trade Payables - Total outstanding dues of Creditors other than Micro & Small Enterprises		478,424,108	431,529,014
(iii) Other Current Financial Liabilities	22	58,175,305	46,646,736
(b) Other Current Liabilities	23	621,472,117	444,550,639
(c) Current Provisions	24	14,185,255	10,779,292
(d) Current Tax Liability (Net)	25	23,987,386	36,297,300
		<b>2,606,497,899</b>	<b>2,489,373,648</b>
<b>TOTAL</b>		<b>4,544,657,702</b>	<b>4,249,221,939</b>
<b>Summary of Significant Accounting Policies</b>	4		

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

As per our report of even date

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

**For Sandeep Sheth & Associates**

Chartered Accountants  
Firm Registration No. 120685W

**Sandeep Sheth**

Proprietor  
Membership No 101903  
UDIN 20101903AAAABR6871

**Place :** Mumbai

**Date :** 26th June, 2020

**Dr. Rahul Mirchandani**

Chairman & Managing Director  
DIN 00239057

**Dr. Jimmy Mirchandani**

Director  
DIN 00239021

**Mrs. Nitya Mirchandani**

Director  
DIN 06882384

**Prof. R. S. S. Mani**

Director  
DIN 00527270

**Mr. C. B. Chhaya**

Director  
DIN 00968966

**Mr. B.V. Dholakia**

Director  
DIN 01871816

**Mr. Vivek Joshi**

Chief Financial Officer  
Membership No. ACA-101683

**Mr. Qaiser P. Ansari**

Company Secretary &  
Senior VP (Legal)  
Membership No. ACS-8979

## Statement of Profit and Loss for the year ended 31st March, 2020

(Amounts in Rupees unless stated otherwise)

Particulars	Note Nos.	Year Ended 31st March, 2020	Year Ended 31st March, 2019
I. Revenue from Operations	26	3,715,008,465	3,203,090,983
Less :- Discount and Rebate Discounts / Rebates		753,562,722	549,925,567
		<b>2,961,445,743</b>	2,653,165,416
II. Other Income	27	121,636,717	75,141,798
III. <b>Total Revenue ( I + II )</b>		<b>3,083,082,460</b>	2,728,307,214
IV. <b>Expenses :</b>			
(a) Cost of Materials Consumed	28	827,251,338	648,338,520
(b) Cost of Products Traded	29	466,164,217	509,633,931
(c) (Increase) / Decrease in Inventories of Finished Goods	30	(44,207,675)	(10,454,381)
(d) Employee Benefits Expense	31	396,504,976	299,981,059
(e) Finance Costs	32	255,211,199	274,020,851
(f) Depreciation and Amortization	5	53,644,206	24,067,501
(g) Other Expenses	33	897,634,396	755,321,621
Total Expenses		<b>2,852,202,657</b>	2,500,909,102
V. <b>Profit / (Loss) Before Tax - ( III - IV )</b>		<b>230,879,803</b>	227,398,112.00
VI. <b>Tax Expense</b>			
(a) Current Tax		64,700,000	80,900,000
(b) Adjustment of Tax relating to earlier periods		3,949,338	371,568
(c) Deferred Tax		6,123,546	(2,853,441)
<b>Income Tax Expense</b>		<b>74,772,884</b>	78,418,127
VII. <b>Profit for the period - ( V - VI )</b>		<b>156,106,919</b>	148,979,985
VIII. <b>Other Comprehensive Income</b>			
(A) Items that will not be reclassified to Profit or Loss			
(i) Changes in Revaluation Surplus		-	-
(ii) Remeasurements of Defined Benefit Plans		(8,427,972)	(10,650,402)
(iii) Equity Instruments through OCI		-	-
		<b>(8,427,972)</b>	(10,650,402)
(ii) Less :- Income Tax relating to Items that will not be reclassified to Profit or Loss		<b>(2,121,321)</b>	(3,721,250)
		<b>(6,306,651)</b>	(6,929,152)
(B) Items that will be reclassified to Profit or Loss			
(i) Exchange Differences in translating the Financial Statements of Foreign Operation		-	-
(ii) Debt Instruments through OCI		-	-
(iii) The effective portion of gains and loss on hedging instruments in a cash flow hedge		-	-
		-	-
(ii) Less :- Income Tax relating to Items that will be reclassified to Profit or Loss		-	-
		<b>(6,306,651)</b>	(6,929,152)
IX. <b>Total Comprehensive Income for the period (VII + VIII)</b>		<b>149,800,268</b>	142,050,833
X. <b>Earnings per Equity Share</b>	34		
(1) Basic & Diluted		12.00	11.46
<b>Summary of Significant Accounting Policies</b>	5		

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

As per our report of even date

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

**For Sandeep Sheth & Associates**  
Chartered Accountants  
Firm Registration No. 120685W

**Dr. Rahul Mirchandani**  
Chairman & Managing Director  
DIN 00239057

**Prof. R. S. S. Mani**  
Director  
DIN 00527270

**Mr. Vivek Joshi**  
Chief Financial Officer  
Membership No. ACA-101683

**Sandeep Sheth**  
Proprietor  
Membership No 101903  
UDIN 20101903AAAABR6871

**Dr. Jimmy Mirchandani**  
Director  
DIN 00239021

**Mr. C. B. Chhaya**  
Director  
DIN 00968966

**Mr. Qaiser P. Ansari**  
Company Secretary &  
Senior VP (Legal)  
Membership No. ACS-8979

**Place :** Mumbai  
**Date :** 26th June, 2020

**Mrs. Nitya Mirchandani**  
Director  
DIN 06882384

**Mr. B.V. Dholakia**  
Director  
DIN 01871816

## Statement of Changes in Equity for the year ended 31st March, 2020

(Amounts in Rupees unless stated otherwise)

Note No. 14

A	Equity Share Capital	Balance as at 31st March, 2019	Changes in Equity Share Capital during the year	Balance as at 31st March, 2020
		130,043,390	-	130,043,390

Note No. 15

( Amounts in Rupees unless stated otherwise )

B	Other Equity	Reserves & Surplus			Items of Other Comprehensive Income	Balance as at 31st March, 2020
		Securities Premium Reserve	General Reserve	Retained Earnings	Re-measurement of net defined benefit plans	
	<b>Balance as at 1st April, 2019</b>	<b>490,037,050</b>	<b>102,956,310</b>	<b>858,656,102</b>	<b>(13,712,672)</b>	<b>1,437,936,790</b>
	Add / (Less) : Profit / (Loss) for the year	-	-	156,106,919	(6,306,651)	<b>149,800,268</b>
	Add / (Less) : Dividend paid for F Y 2018-19	-	-	(23,408,027)	-	<b>(23,408,027)</b>
	Add / (Less) : Dividend Distribution Tax paid for F Y 2018-19	-	-	(4,811,544)	-	<b>(4,811,544)</b>
	Add / (Less) : Dividend paid for F Y 2019-20	-	-	(6,503,756)	-	<b>(6,503,756)</b>
	Add / (Less) : Dividend Distribution Tax paid for F Y 2019-20	-	-	(1,336,866)	-	<b>(1,336,866)</b>
		-	-	<b>120,046,726</b>	<b>(6,306,651)</b>	<b>113,740,075</b>
	<b>Balance as at 31st March, 2020</b>	<b>490,037,050</b>	<b>102,956,310</b>	<b>978,702,828</b>	<b>(20,019,323)</b>	<b>1,551,676,865</b>
	<b>Balance as at 1st April, 2018</b>	<b>490,037,050</b>	<b>102,956,310</b>	<b>745,675,918</b>	<b>(6,783,520)</b>	<b>1,331,885,758</b>
	Add / (Less) : Profit / (Loss) for the year	-	-	148,979,985	(6,929,152)	<b>142,050,833</b>
	Add / (Less) : Dividend paid for F Y 2017-18	-	-	(29,910,833)	-	<b>(29,910,833)</b>
	Add / (Less) : Dividend Distribution Tax paid for F Y 2017-18	-	-	(6,088,968)	-	<b>(6,088,968)</b>
		-	-	<b>112,980,184</b>	<b>(6,929,152)</b>	<b>106,051,032</b>
	<b>Balance as at 31st March, 2019</b>	<b>490,037,050</b>	<b>102,956,310</b>	<b>858,656,102</b>	<b>(13,712,672)</b>	<b>1,437,936,790</b>

Dividend paid @ Rs. 0.50 per share for Financial Year 2019-20

## Statement of Cash Flows for the year ended 31st March, 2020

(Amounts in Rupees unless stated otherwise)

Sr. No.	Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>A)</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before tax as per Statement of Profit and Loss	230,879,803	227,398,112
	<b>Adjusted for :</b>		
	Depreciation and Amortisation Expense	53,644,206	24,067,501
	Loss on Sale of Assets (net)	9,691,101	1,747,717
	Interest Income	(50,745,837)	(62,368,148)
	Finance Costs	255,211,199	274,020,851
	Operating Profit before Working Capital Changes	498,680,472	464,866,033
	<b>Adjusted for :</b>		
	(Increase) / Decrease in Trade Receivables	(22,646,606)	(44,618,280)
	(Increase) / Decrease in Inventories	(82,438,697)	(26,389,660)
	Increase / (Decrease) in Trade Payables	70,509,626	833,918
	Increase / (Decrease) in Provisions & Other Current Liabilities	178,880,509	167,989,143
	Cash Generated from Operations	642,985,304	562,681,154
	Income Taxes (paid) / received (Net)	(68,649,338)	(81,271,568)
	<b>Net Cash Flow from Operating Activities (A)</b>	<b>574,335,965</b>	<b>481,409,586</b>
<b>B)</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
	Purchase of Fixed Assets ( Tangible Fixed Assets, Capital work in progress (WIP) )	(135,120,369)	(82,810,534)
	Proceeds from Sale of Fixed Assets	2,289,158	2,422,000
	Investments in Long Term Investments	(100,000)	-
	Movement in Short Term Loans and Advances & Other Assets	(157,197,611)	(289,265,893)
	Interest Income	50,745,837	62,368,148
	<b>Net Cash Flow from / ( used in) Investing Activities (B)</b>	<b>(239,382,985)</b>	<b>(307,286,279)</b>
<b>C)</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
	Dividend Paid	(29,911,783)	(29,910,833)
	Tax on Dividend paid	(6,148,410)	(6,088,968)
	Non Current Borrowings ( Net )	10,693,525	(31,553,500)
	Current Borrowings ( Net )	(132,931,471)	151,656,416
	Finance Costs	(255,211,199)	(274,020,851)
	Repayment of Lease Liability	33,069,271	-
	Repayment of Interest on Lease Liability	9,044,031	-
	<b>Net Cash ( used in ) / from financing activities (C)</b>	<b>(371,396,036)</b>	<b>(189,917,736)</b>
	Net Increase in Cash and Cash Equivalents	(36,443,056)	(15,794,429)
	Opening Balance of Cash and Cash Equivalents	41,250,442	57,044,871
	Closing Balance of Cash and Cash Equivalents	4,807,386	41,250,442

NOTE : 1 The above statement has been prepared under the indirect method set out in Ind AS-7 " Statement of Cash Flows ".  
2 Figures in the bracket indicate cash out flow.

**As per our report of even date**

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

**For Sandeep Sheth & Associates**  
Chartered Accountants  
Firm Registration No. 120685W

**Dr. Rahul Mirchandani**  
Chairman & Managing Director  
DIN 00239057

**Prof. R. S. S. Mani**  
Director  
DIN 00527270

**Mr. Vivek Joshi**  
Chief Financial Officer  
Membership No. ACA-101683

**Sandeep Sheth**  
Proprietor  
Membership No 101903  
UDIN 20101903AAAABR6871

**Dr. Jimmy Mirchandani**  
Director  
DIN 00239021

**Mr. C. B. Chhaya**  
Director  
DIN 00968966

**Mr. Qaiser P. Ansari**  
Company Secretary &  
Senior VP (Legal)  
Membership No. ACS-8979

**Place :** Mumbai  
**Date :** 26th June, 2020

**Mrs. Nitya Mirchandani**  
Director  
DIN 06882384

**Mr. B.V. Dholakia**  
Director  
DIN 01871816

## NOTES to the Financial Statements for the year ended 31st March, 2020

### 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 Equipment Private Limited as a Wholly Owned Subsidiary for carrying business in all type of farm equipment, machinery, etc.

In December, 2019 the Company incorporated Mirabelle Agro Manufacturing Private Limited as a Wholly Owned Subsidiary for carrying business in Mineral Feed Supplements.

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 trading of plant nutrients.

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. In F.Y. 2019-20, M/s. Golden Harvest Middle East FZC has reduced its stake from 75% to 49% in M/s Amarak Chemicals FZC. As a result of this, M/s. Amarak Chemicals FZC is now no more a step down subsidiary of M/s. Aries Agro Ltd.

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

These Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the Historical Cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act 2013 (the Act) (to the extent notified) and guidelines issued by Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under section 133 of the Act read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the Accounting Policy hitherto in use.

As the quarter and year, end figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year figures reported in the statement.

#### 2.1 Statement of Compliance

The Comparative Standalone Financial Statements comprising Balance Sheet, Statement of Profit and Loss (including other Comprehensive Income), Statement of Changes in Equity, Cash Flow Statement, together with the Notes to accounts along with a summary of the significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2020 have been prepared in accordance with the Ind AS as stated above.

#### 2.2 Basis of Measurement - Historic Cost Convention

These Standalone Financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that is measured at fair value (refer accounting policy regarding financial instruments);
- Defined benefit plans – plan assets measured at fair value

All assets and liabilities has been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.



## NOTES to the Financial Statements for the year ended 31st March, 2020

### 2.3 Functional and Presentation Currency

Items included in the Financial Statements of the entity are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). Indian Rupee is the Functional currency of the Company.

The Financial statements are presented in Indian Rupees, which is the Company’s presentation currency.

### 2.4 Use of Estimates:

The preparation of Financial Statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realized may differ from these estimates. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized and, if material, their effects are disclosed in the notes to the Financial Statements.

**Estimates and assumptions are required in particular for :**

(i) **Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalized :**

Useful life of tangible assets is based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful life is different from that prescribed in Schedule II, it is based on technical advice, taking into account the nature of the asset, estimated usage and operating conditions of the asset, past history of replacement and maintenance support. An assumption also needs to be made, when the Company assesses, whether an asset may be capitalized and which components of the cost of the asset may be capitalized.

(ii) **Recognition and measurement of defined benefit obligations :**

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

(iii) **Recognition of deferred tax assets :**

A Deferred tax asset is recognized for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. The management assumes that taxable profits will be available while recognizing deferred tax assets.

(iv) **Recognition and measurement of other provisions :**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions.

(v) **Discounting of long-term financial liabilities :**

All financial liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities, which are required to be subsequently measured at amortized cost, interest is accrued using the effective interest method.

### 3. Current Versus Non-Current Classification :

(i) The assets and liabilities in the Balance Sheet are based on current/ non – current classification. An asset is current when it is:

1. Expected to be realized or intended to be sold or consumed in normal operating cycle.
2. Held primarily for the purpose of trading.
3. Expected to be realized within twelve months after the reporting period, or
4. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non - current.

## NOTES to the Financial Statements for the year ended 31st March, 2020

(ii) A liability is current when it is:

1. Expected to be settled in normal operating cycle
2. Held primarily for the purpose of trading
3. Due to be settled within twelve months after the reporting period, or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are treated as non - current.

Deferred tax assets and liabilities are classified as non - current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents

### 4. Significant Accounting Policies

#### A) Plant, Property & Equipment :

All the Property, Plant and Equipment have been carried at value in accordance with the previous GAAP. The Company has elected these value as deemed cost at the date of transition to Ind AS.

Property, Plant & Equipment are stated at original cost net of tax/ duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. All costs, including finance costs incurred up to the date the asset is ready for its intended use.

When significant parts of property, plant and equipment are required to be replaced at intervals, the company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly.

All the other repair and maintenance costs are recognized in the statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

Property, Plant & Equipment are eliminated from the financial statements either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment and gains and losses arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

Subsequent expenditure related to an item of Property, Plant & Equipment 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 Property, Plant & Equipment, 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 Plant, Property and Equipment 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.

#### B) Depreciation & Amortization :

a) Depreciation on property, plant & equipment is provided on a straight-line basis over the useful life of assets as specified in schedule II to the companies Act, 2013. In case of Property, plant & Equipment that are added/ disposed off during the year depreciation is provided on pro-rata basis with reference to the month of addition/ deletion.

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.

b) Depreciation methods, useful life and residual values are reviewed at each reporting date and adjusted if appropriate.

#### C) Intangible Assets :

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over the irrespective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

## NOTES to the Financial Statements for the year ended 31st March, 2020

The useful lives of intangible assets are assessed as either finite or infinite.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is considered to modify the amortized period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite useful life are amortized over the useful economic life and assessed for impairment whenever there is any indication that the intangible asset may be impaired.

Intangibles with indefinite useful life, if any are not amortized, but are tested for impairment annually, either individually or at the cash generating unit level.

### D) Impairment of Non-Current Assets :

As at each balance sheet date, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognized in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, if any, the Company determines the recoverable amount and impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In the case of an individual asset, at the higher of the fair value less cost to sell and the value in use; and
- In the case of cash generating unit (a group of assets that generate identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset.

In determining fair value less cost disposal, recent market transaction are taken in to account.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

Intangible assets with indefinite useful lives are tested for impairment annually, as appropriate, and when circumstances indicate that the carrying value may be impaired.

### E) Cash and Cash Equivalents :

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### F) Inventories and WIP:

Inventories are valued at the lower of cost and net realizable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

#### a) 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. Raw material, store and spares: Cost on FIFO basis or net realizable value, whichever is lower.

#### b) 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.

#### c) 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.

## NOTES to the Financial Statements for the year ended 31st March, 2020

- d) Waste and scrap are not separately valued being insignificant in value.
- e) 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.

### G) Retirement benefits :

#### a) Short Term Employee Benefits:

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

Short - term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### b) Post-Employment Benefits :

##### i) Defined Contribution Plans :

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.

##### ii) Defined Contribution Plans :

The employees' gratuity fund scheme is the Company's defined benefit plan. The present value of the obligation under the said defined benefit plan is determined on the basis of actuarial valuation from an independent actuary using the Projected Unit Credit Method.

The gratuity benefit of the Company is administered by a trust formed for this purpose through the group gratuity scheme.

Re-measurements comprising of actuarial gain and losses, the effect of the asset ceiling and the return on plan assets (excluding amount included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur.

Re-measurements are not re-classified to the statement of profit and loss in subsequent periods.

Past service cost is recognized in the statement of profit & loss in the period of plan amendment.

Net interest is calculated by applying the discounted rate to the net defined benefit liability or asset.

#### c) Other Long Term Employee Benefits :

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.

### H) Non-current assets held for sale :

Non Current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Non Current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

The criteria for held for sale/ distribution classification is regarded met only when the assets are available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated,

## NOTES to the Financial Statements for the year ended 31st March, 2020

- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale to owners are not depreciated or amortized.

### I) Foreign Currency :

#### Functional and Presentation Currency

Consolidated financial statements have been presented in Indian Rupees (₹), which is the Group's functional currency and Group's presentation currency. Each entity in the Group determines its own functional currency (the currency of the primary economic environment in which the entity operates) and items included in the financial statements of each entity are measured using that functional Currency.

#### Transactions and Balances :

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. Exchange difference that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the Statement of Profit and Loss in the period in which they arise.

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.

### J) Financial Instruments :

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### 1) Financial Assets :

##### (i) Classification

Financial Assets comprises of Investments in Equity and Debt securities, Trade Receivables, Cash and Cash equivalents, Borrowings and other Financial Assets.

##### (ii) Initial recognition measurement :

All financial assets is recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial Assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

##### (iii) Subsequent Recognition

###### a) Financial Assets measured at amortized cost

Financial assets are measured at amortized cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are measured at amortized cost using the effective interest rate (EIR) method.

The EIR amortization is recognized as finance income in the Statement of Profit and Loss.

###### Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method, less provision for impairment. For

## NOTES to the Financial Statements for the year ended 31st March, 2020

some trade receivables the Group may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counter party is in default under the terms of the agreement.

Impairment is made on the expected credit losses, which are the present value of the shortfalls over the expected life of financial assets. The estimated impairment losses are recognized in a separate provision account and the impairment losses are recognized in the Statement of Profit and Loss within other expenses.

For foreign currency trade receivable, impairment is assessed after reinstatement at closing rates.

Subsequent changes in assessment of impairment are recognized in provision for impairment and changes in impairment losses are recognized in the Statement of Profit and Loss within other expenses.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

Subsequent recoveries of amounts previously written off are credited to other Income

### **b) Financial Assets measured at fair value through other comprehensive income (FVTOCI)**

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

### **c) Financial Assets measured at fair value through profit or loss (FVTPL)**

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognized in profit or loss.

### **d) Investment in Subsidiary and Associates**

Investment in equity instruments of Subsidiaries and Associates are measured at cost. Provision for Impairment loss on such investment is made only when there is a diminution in value of the investment, which is other than temporary.

### **e) Investment in Debt Instruments**

A debt instrument is measured at amortized cost or at FVTPL. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

### **(iv) De-recognition of Financial Assets:**

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

## **2) Financial Liabilities:**

### **(i) Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and, in the case of loans, borrowings, and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, security deposits and other deposits.

### **(ii) Subsequent measurement:**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity.

All other changes in fair value of such liability are recognised in the statement of profit or loss.

## NOTES to the Financial Statements for the year ended 31st March, 2020

### (iii) Loans and Borrowings :

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

#### Trade and Other Payables

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent unpaid liabilities for goods and services provided to the Group till the end of financial year. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Trade payables are recognised initially at their fair value and subsequently measured at amortized cost using the effective interest rate method.

### (v) Derecognition of Financial Liabilities :

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

### K) Borrowing Costs :

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset (net of income earned on temporary deployment of funds) are capitalized as a part of the cost of such assets. Borrowing cost consists of interest, other cost incurred in connection with borrowings of fund and exchange differences to the extent regarded as an adjustment to the borrowing cost. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are charged to the Statement of Profit and Loss.

### L) Leases :

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### i) Right-of-Use Assets

The Company recognises right-of-use assets ("RoU Assets") at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

#### ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company

## NOTES to the Financial Statements for the year ended 31st March, 2020

and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company has used 10% uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liabilities has been presented under the head "Other Financial Liabilities".

### iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## M) Taxes :

### (a) Current Income Tax :

(i) Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.

Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of the previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognized amounts; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(ii) Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit & loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### (b) Deferred Tax :

(i) Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at the reporting date.

(ii) The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognized to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted at the balance sheet date.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in the income statement. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

### (c) Value added taxes / GST:

Expenses and assets are recognized net of the amount of GST/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.



## NOTES to the Financial Statements for the year ended 31st March, 2020

- When receivables and payables are stated with the amount of tax included The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

### (d) Minimum Alternate Tax :

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.

### N) 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, regardless of when the payment is being made.

The specific recognition criteria described below must also be met before revenue is recognized.

#### (a) Sale of products :

As stated in Ind AS 115, Revenue from sale of products is recognized when the entity transfers the control of goods and services to customers at an amount that the entity expects to be entitled. The Company collects Goods and Service Tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied net of discounts, returns etc. Ind As 115 is based on a five step model as mentioned below.

1. Identify the contract with customer
2. Identify the performance obligation
3. Determine the transactions price
4. Allocate transaction price
5. Recognize Revenue when (or as) performance obligations are satisfied.

#### (b) Other Income :

##### Interest Income

Interest income is recognized on accrual basis at applicable interest rates. For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payment or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial assets interest income is included in other income in the statement of profit & loss.

##### Dividend Income

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

### O) Dividend / Distribution :

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

### P) Earnings Per Share:

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;

## NOTES to the Financial Statements for the year ended 31st March, 2020

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.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares, that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

### Q) Segment Reporting :

#### Identification of segments

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

### R) Provisions, Contingent Liabilities and Contingent Assets :

A provision is recognized if as a result of a past event the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are not recognized but disclosed in the Financial Statements when economic inflow is probable.

(a) Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- (i) the Company has a present obligation as a result of past event,
- (ii) a probable outflow of resources is expected to settle the obligation; and
- (iii) the amount of obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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.

(b) Contingent liabilities are disclosed in case of:

- (i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation,
- (ii) a present obligation arising from past events, when no reliable estimate is possible,
- (iii) a possible obligation arising from past events where the probability of outflow of resources is not remote.

(c) Contingent assets are neither recognized nor disclosed.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions and Contingent Liabilities are recognized / disclosed after an evaluation of the facts and legal aspects and the amounts are reviewed on the Balance Sheet date.

### S) Research & Development Expenditure:

Revenue expenditure pertaining to research is charged to statement of profit and loss. Development costs of products are charged to the statement of Profit and loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalized.

## NOTES to the Financial Statements for the year ended 31st March, 2020

### Note No. 5 - Property, Plant and Equipment, Right to Use Assets and Intangible Assets as at 31st March, 2020

Particulars	PROPERTY, PLANT AND EQUIPMENT													RIGHT TO USE ASSET	INTANGIBLE ASSETS	Total		
	Land	Buildings	Office Premises	Cylinders	Plant & Machinery	Electrical Installations	Laboratory Equipments	Office Equipments	Furniture & Fixtures	Air Conditioners	Computer	Vehicles	Commercial Vehicles				Total	Softwares
<b>Gross Block</b>																		
As at 1st April, 2019	37,766,473	336,209,205	19,981,599	352,534	220,058,035	17,576,378	2,397,774	7,841,442	25,229,841	4,260,086	8,796,128	19,975,421	1,667,155	702,112,070	-	20,456,586	722,568,655	
Add :- Addition during the year	7,197,930	26,653,216	-	1,942,487	29,412,908	-	1,347,617	1,198,086	98,755	185,528	548,945	53,592	-	68,538,474	-	209,503	68,747,977	
Add :- Reclassified on account of adoption of Ind AS 116	-	-	-	-	-	-	-	-	-	-	-	-	-	-	90,440,312	-	90,440,312	
Less :- Disposals / Impaired during the year	-	-	-	-	12,489,500	-	-	5,600	0	62,800	-	5,785,650	175,000	18,498,551	-	-	18,498,551	
<b>As at 31st March, 2020</b>	<b>44,964,403</b>	<b>362,862,421</b>	<b>19,981,599</b>	<b>2,195,021</b>	<b>237,001,443</b>	<b>17,576,378</b>	<b>3,745,391</b>	<b>9,033,938</b>	<b>25,328,596</b>	<b>4,382,813</b>	<b>9,344,473</b>	<b>14,243,363</b>	<b>1,482,155</b>	<b>752,151,993</b>	<b>90,440,312</b>	<b>20,666,089</b>	<b>863,258,393</b>	
<b>Accumulated Depreciation</b>																		
As at 1st April, 2019	-	208,334,407	873,565	13,561	54,201,469	9,919,411	1,879,921	5,910,820	17,242,222	3,221,664	7,716,826	8,487,924	1,019,436	318,821,256	-	17,704,174	336,525,430	
Add :- Addition during the year	-	5,407,916	632,751	91,776	14,288,085	1,323,422	159,320	681,905	1,065,979	358,710	380,749	1,562,569	329,757	26,282,940	-	708,014	26,990,954	
Add :- Reclassified on account of adoption of Ind AS 116	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26,653,252	-	26,653,252	
Less :- Disposals / Impaired during the year	-	-	-	-	3,113,503	-	-	5,320	-	62,000	-	3,295,906	41,562	6,518,291	-	-	6,518,291	
<b>As at 31st March, 2020</b>	<b>-</b>	<b>213,742,323</b>	<b>1,506,346</b>	<b>105,337</b>	<b>65,376,051</b>	<b>11,242,833</b>	<b>2,039,241</b>	<b>6,587,406</b>	<b>18,308,201</b>	<b>3,518,375</b>	<b>8,097,575</b>	<b>6,754,587</b>	<b>1,307,631</b>	<b>338,585,906</b>	<b>26,653,252</b>	<b>18,412,188</b>	<b>383,651,346</b>	
<b>Net carrying amount</b>																		
As at 31st March, 2020	44,964,403	149,120,098	18,475,253	2,089,684	171,625,392	6,333,545	1,706,150	2,446,532	7,020,395	864,438	1,246,898	7,488,775	184,524	413,566,087	63,787,060	2,253,901	479,607,048	
As at 31st March, 2019	37,766,473	127,874,786	19,108,004	338,973	165,656,567	7,656,967	517,853	1,930,622	7,987,820	1,038,421	1,079,301	11,487,496	647,719	383,290,814	-	2,752,412	386,043,226	
<b>Gross Block</b>																		
As at 1st April, 2018	18,724,219	331,653,172	19,981,599	-	182,124,302	17,576,378	2,378,764	7,042,664	23,220,766	4,077,628	8,121,617	20,339,508	4,046,740	639,287,356	-	18,983,051	688,270,407	
Add :- Addition during the year	19,042,254	4,558,033	-	352,534	38,073,734	-	19,010	828,289	2,009,075	182,467	674,511	6,531,403	-	72,269,299	-	1,771,210	74,040,509	
Less :- Disposals / Impaired during the year	-	-	-	-	140,000	-	-	29,511	-	-	-	6,895,690	2,379,585	9,444,586	-	297,675	9,742,261	
<b>As at 31st March, 2019</b>	<b>37,766,473</b>	<b>336,209,205</b>	<b>19,981,599</b>	<b>352,534</b>	<b>220,058,035</b>	<b>17,576,378</b>	<b>2,397,774</b>	<b>7,841,442</b>	<b>25,229,841</b>	<b>4,260,086</b>	<b>8,796,128</b>	<b>19,975,421</b>	<b>1,667,155</b>	<b>702,112,069</b>	<b>-</b>	<b>20,456,586</b>	<b>722,568,655</b>	
<b>Accumulated Depreciation</b>																		
As at 1st April, 2018	-	203,759,277	240,844	-	43,012,984	8,482,388	1,746,866	5,985,871	14,715,439	2,910,195	7,348,310	9,569,978	3,280,042	300,452,193	-	17,326,316	317,778,509	
Add :- Addition during the year	-	4,575,130	632,751	13,561	11,243,343	1,437,023	133,056	554,460	2,526,783	311,470	368,517	1,847,838	-	23,643,932	-	423,589	24,067,501	
Less :- Disposals / Impaired during the year	-	-	-	-	54,859	-	-	29,511	-	-	-	2,929,892	2,260,606	5,274,869	-	45,712	5,320,580	
<b>As at 31st March, 2019</b>	<b>-</b>	<b>208,334,407</b>	<b>873,595</b>	<b>13,561</b>	<b>54,201,469</b>	<b>9,919,411</b>	<b>1,879,921</b>	<b>5,910,820</b>	<b>17,242,222</b>	<b>3,221,664</b>	<b>7,716,826</b>	<b>8,487,924</b>	<b>1,019,436</b>	<b>318,821,256</b>	<b>-</b>	<b>17,704,174</b>	<b>336,525,430</b>	
<b>Net carrying amount</b>																		
As at 31st March, 2019	37,766,473	127,874,798	19,108,004	338,973	165,856,567	7,566,968	517,853	1,930,622	7,987,819	1,038,421	1,079,301	11,487,496	647,719	383,290,813	-	2,752,412	386,043,225	
As at 31st March, 2018	18,724,219	127,893,895	19,740,755	139,111,317	139,111,317	9,093,991	631,899	1,656,793	8,505,327	1,167,433	773,307	10,769,529	766,698	338,835,163	-	1,656,735	340,491,898	

**NOTES to the Financial Statements for the year ended 31<sup>st</sup> March, 2020**

(Amounts in Rupees unless stated otherwise)

6 NON-CURRENT INVESTMENTS	No. of Shares	Face Value (Rs)	As at 31st March, 2020	No. of Shares	Face Value (Rs)	As at 31st March, 2019
<b>(Unquoted and fully paid up)</b>						
<b>A) Equity Shares</b>						
<b>(i) Subsidiary Companies (at Cost)</b>						
(a) Aries Agro Care Pvt Ltd	10,000	10	<b>100,000</b>	10,000	10	100,000
(b) Aries Agro Equipments Pvt Ltd	10,000	10	<b>100,000</b>	10,000	10	100,000
(c) Mirabelle Agro Manufacturing Pvt Ltd	10,000	10	<b>100,000</b>	-	-	-
(c) Golden Harvest Middle East FZC	1125	AED 100	<b>1,227,375</b>	1125	AED 100	1,227,375
			<b>1,527,375</b>			1,427,375
<b>(ii) Other Investment (at Cost)</b>						
(a) Aries Agro Produce Pvt Ltd	1,500	10	<b>15,000</b>	1,500	10	15,000
			<b>15,000</b>			15,000
			<b>1,542,375</b>			1,442,375
<b>B) Share Application Money</b>						
<b>(i) Subsidiary Companies</b>						
(a) Golden Harvest Middle East FZC			<b>201,261,625</b>			201,261,625
			<b>202,804,000</b>			202,704,000

- 6.1 Aries Agro Care Pvt. Ltd. has been incorporated as a wholly owned subsidiary on 5<sup>th</sup> January, 2007 with the Registrar of Companies, Maharashtra, Mumbai. to carry on 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".
- 6.2 Aries Agro Equipments Pvt. Ltd. has been incorporated as a wholly owned subsidiary on 12<sup>th</sup> January, 2007 with the Registrar of Companies, Maharashtra, Mumbai. to carry on 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".
- 6.3 Mirabelle Agro Manufacturing Pvt. Ltd. has been incorporated as a wholly owned subsidiary on 26<sup>th</sup> December, 2019 with the Registrar of Companies, Maharashtra, Mumbai. to carry on the business of manufacturing, Producing and Dealing in Mineral Feed Supplements. The Registered Office of the Company is located at "Aries House, Plot no 24, Deonar, Govandi (E), Mumbai – 400 043".
- 6.4 Golden Harvest Middle East FZC was incorporated on 31<sup>st</sup> December, 2004 as a Free Zone Company with limited liability to carry on the activities of manufacturing Chemical Fertilizer and exporting all the necessary, 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 ) "UAE". The licence has since been converted into a trading licence effective from 7th December, 2016.
- 6.5 Losses of Subsidiaries not provided in accounts :

Particulars	Year Ended 31st March 2020		Year Ended 31st March 2019	
	Accumulated	Current Year	Accumulated	Current Year
Aries Agro Care Pvt. Ltd.	(3,315,734)	(262,363)	(3,053,372)	(242,229)
Aries Agro Equipments Pvt. Ltd.	7,569,016	(59,597)	7,628,613	(54,602)
Golden Harvest Middle East FZC	148,750,358	(77,755,002)	210,581,750	(50,841,216)
Mirabelle Agro Manufacturing Pvt. Ltd.	(44,237)	(44,237)	-	-
	<b>152,959,403</b>	<b>(78,121,199)</b>	215,156,991	(51,138,047)

## NOTES to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

(Amounts in Rupees unless stated otherwise)

<b>7</b>	<b>INVENTORIES</b>		<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
	(At lower of cost or Net Realisable Value) (As Certified and valued by the Management)			
	Raw Materials		361,919,685	323,267,126
	Finished Goods		860,625,531	816,417,856
	Stock-in-Trade ( in respect of Goods acquired for Trading )		78,260,528	70,291,292
	Packing Materials		79,501,128	87,891,900
	<b>Total</b>		<b>1,380,306,872</b>	<b>1,297,868,174</b>
<b>8</b>	<b>TRADE RECEIVABLES</b>		<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
	<b>Unsecured</b>			
	Considered Good		1,015,866,713	993,220,106
	<b>Total</b>		<b>1,015,866,713</b>	<b>993,220,106</b>
<b>8.1</b>	<b>Ageing of Trade Receivables</b>			
	<b>Particulars</b>	<b>Ageing</b>		<b>Total</b>
		<b>More than 6 months</b>	<b>Less than 6 months</b>	
	<b>As at 31st March, 2020</b>			
	Unsecured			
	Considered Good	37,955,449	977,911,264	1,015,866,713
	<b>Gross Total</b>	<b>37,955,449</b>	<b>977,911,264</b>	<b>1,015,866,713</b>
	As at 31st March, 2019	20,486,156	972,733,950	993,220,106
<b>8.2</b>	<b>Trade Receivables includes Amount due from Related Parties</b>			
	<b>Particulars</b>	<b>Maximum balance during the year</b>	<b>As at 31st March 2020</b>	<b>Maximum balance during the year</b>
				<b>As at 31st March 2019</b>
	Amarak Chemicals	12,507,647	12,507,647	11,455,715
			12,507,647	11,455,715
<b>8.3</b>	The above Trade Receivables are outstanding for more than 6 months			
<b>8.4</b>	Trade Receivables are non-interest bearing and receivable in normal operating cycle			
<b>9</b>	<b>CASH AND CASH EQUIVALENTS</b>		<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
	Balance with Banks in Current Accounts		4,546,005	41,230,119
	Cash on hand		261,381	20,323
	<b>Total</b>		<b>4,807,386</b>	<b>41,250,442</b>
<b>10</b>	<b>OTHER BANK BALANCES</b>		<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
	Fixed Deposits with Banks held as Margin Money (Maturity less than One Year)		30,160,700	38,893,203
	Unclaimed Dividend Accounts		2,846,294	2,948,303
	<b>Total</b>		<b>33,006,994</b>	<b>41,841,506</b>
<b>10.1</b>	Fixed Deposits are kept as Margin against various Credit Limits / Guarantees			

**NOTES to the Financial Statements for the year ended 31<sup>st</sup> March, 2020**

(Amounts in Rupees unless stated otherwise)

11 CURRENT LOANS	As at 31st March 2020	As at 31st March 2019
<b>(Unsecured and Considered Good)</b>		
Loans to Related Parties	993,593,021	836,739,547
Loans to Employees	1,081,185	1,212,601
	<b>994,674,206</b>	<b>837,952,148</b>

**11.1 Loan given to Subsidiaries / Associates :**

Company Name	Maximum balance during the year	As at 31st March 2020	Maximum balance during the year	As at 31st March 2019
Golden Harvest Middle East FZC	993,593,021	993,593,021	836,739,547	836,739,547
(For general corporate purpose of the Subsidiary)	993,593,021	993,593,021	836,739,547	836,739,547

11.2 Refer Note No. 36 for details of Advances to Related Parties

12 OTHER CURRENT FINANCIAL ASSETS	As at 31st March 2020	As at 31st March 2019
<b>(Unsecured and Considered Good)</b>		
Interest Accrued but not due	1,124,062	1,638,311
	<b>1,124,062</b>	<b>1,638,311</b>

12.1 Interest Accrued but not due includes Interest accrued on various Fixed Deposits with Banks

13 OTHER CURRENT ASSETS	As at 31st March 2020	As at 31st March 2019
<b>(Unsecured and Considered Good)</b>		
Other Advances	303,059,110	293,614,381
Security Deposits	8,252,915	7,873,330
<b>Total</b>	<b>311,312,025</b>	<b>301,487,711</b>

**13.1 Advances given to Subsidiaries / Associates :**

Company Name	Maximum balance during the year	As at 31st March 2020	Maximum balance during the year	As at 31st March 2019
Amarak Chemicals FZC	-	-	12,321,761	-
	-	-	12,321,761	-

a) All the above Advances are interest free

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

13.2 Refer Note No. 36 for details of Advances to Related Parties

## NOTES to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

(Amounts in Rupees unless stated otherwise)

### 13.3 Other Advances includes :

Particulars	As at 31st March 2020	As at 31st March 2019
(a) Balances with Taxation Authorities	52,887,462	58,321,612
(b) Advance to Suppliers	247,009,486	232,981,734
(c) Imprest Advance for Vehicle Expenses	109,975	122,475
(d) Prepaid Expenses	3,052,187	2,188,560
	<b>303,059,110</b>	<b>293,614,381</b>

### 14 EQUITY SHARE CAPITAL

	As at 31st March 2020	As at 31st March 2019
<b>Authorised</b>		
1,50,00,000 Equity Shares of Rs. 10/- each	150,000,000	150,000,000
	<b>150,000,000</b>	<b>150,000,000</b>
<b>Issued, Subscribed and Fully Paidup</b>		
1,30,04,339 (31st March, 2019 1,30,04,339) Equity Shares of Rs. 10/- each.	130,043,390	130,043,390
	<b>130,043,390</b>	<b>130,043,390</b>

### 14.1 Reconciliation of the number of Equity Shares :

Particulars	As at 31st March 2020	As at 31st March 2019
Shares outstanding at the beginning of the year	13,004,339	13,004,339
Add :- Issued during the year	-	-
Less :- Shares cancelled during the year	-	-
Shares outstanding at the end of the year	<b>13,004,339</b>	<b>13,004,339</b>

### 14.2 List of Shareholder's holding more than 5 % Shares in the Company :

Name of the Shareholders	As at 31st March 2020		As at 31st March 2019	
	No of Shares	% of Holding	No of Shares	% of Holding
(i) Dr. Jimmy Mirchandani	3,254,830	25.03%	3,344,830	25.72%
(ii) Dr. Rahul Mirchandani	2,893,221	22.25%	2,803,221	21.56%
<b>Total</b>	<b>6,148,051</b>	<b>47.28%</b>	<b>6,148,051</b>	<b>47.28%</b>

### 15 Nature of Reserves

- 15.1 **Securities Premium Reserve** : represents the amount received in excess of par value of securities i.e equity shares. Premium on redemption of securities is accounted in security premium available. Where security premium is not available, premium on redemption of securities is accounted in statement of profit and loss. Section 52 of Companies Act, 2013 specify restriction and utilisation of security premium.
- 15.2 **General Reserve** : represents the statutory reserve, this is in accordance with Indian Corporate law wherein a portion of profit is apportioned to general reserve. Under Companies Act, 1956 it was mandatory to transfer amount before a Company can declare dividend, however under Companies Act, 2013 transfer of any amount to General reserve is at the discretion of the Company.
- 15.3 **Retained Earnings** : represent the undistributed profits of the Company
- 15.4 **Other Comprehensive Income Reserve** : represent the balance in equity for items to be accounted in Other Comprehensive Income. Other Comprehensive Income is classified into i) items that will not be reclassified to profit and loss, ii) items that will be reclassified to profit and loss.

**NOTES to the Financial Statements for the year ended 31<sup>st</sup> March, 2020**

(Amounts in Rupees unless stated otherwise)

16 NON - CURRENT BORROWINGS	As at 31st March 2020	As at 31st March 2019
<b>Secured Term Loans</b>		
Term Loans from Banks	18,363,221	29,368,765
	<b>18,363,221</b>	29,368,765
<b>Un-Secured Term Loans</b>		
Term Loans from NBFC's	125,024,441	103,325,372
	<b>125,024,441</b>	103,325,372
<b>Total</b>	<b>143,387,662</b>	132,694,137

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

Sr. No.	Particulars	As at 31st March 2020	As at 31st March 2019
(a)	Secured by way of Charge on the Company's Motor Vehicles.	3,747,928	5,857,490
(b)	Secured by way of Primary Charge on Office Premises at Vastrapur, Gujarat.	4,201,405	6,215,275
(c)	Secured by way of Primary Charge on Land and Building at Moje Rajpur, Gujarat.	10,413,888	17,296,000
		<b>18,363,221</b>	29,368,765

16.2 Un-Secured Term Loans from Banks / NBFC's are secured by way of Charge on personal Assets of Directors and guaranteed by the Directors.

16.3 Maturity Profile of Term Loans are as set out below :

Sr. No.	Financial Years	Secured Term Loans from Banks	Un-Secured Term Loans from Banks	Total
(a)	2020-21	26,813,219	27,305,482	54,118,701
	<b>Sub-Total</b>	<b>26,813,219</b>	<b>27,305,482</b>	<b>54,118,701</b>
(b)	2021-22	8,943,326	24,594,972	33,538,298
(c)	2022-23	8,400,185	24,594,972	32,995,157
(d)	2023-24 & Above	1,019,710	75,834,497	76,854,207
	<b>Sub-Total</b>	<b>18,363,221</b>	<b>125,024,441</b>	<b>143,387,662</b>
	<b>Total</b>	<b>45,176,440</b>	<b>152,329,923</b>	<b>197,506,363</b>

16.4 Rs. 5,41,18,700/- is shown in Current Maturities ( On 31st March, 2019 Rs. 4,25,28,757/-.)

17 OTHER NON - CURRENT LIABILITIES	As at 31st March 2020	As at 31st March 2019
<b>Lease Liabilities</b>		
Liability of Right to use Asset	42,113,302	-
	<b>42,113,302</b>	-

18 NON CURRENT PROVISIONS	As at 31st March 2020	As at 31st March 2019
<b>Provision for Employee Benefits (Refer Note No. 31)</b>		
Gratuity	4,462,828	-
Leave Salary	23,150,899	19,830,999
One Time Incentive	709,948	730,291
<b>Total</b>	<b>28,323,675</b>	20,561,290



## NOTES to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

(Amounts in Rupees unless stated otherwise)

19 DEFERRED TAX LIABILITY	As at 31st March 2020	As at 31st March 2019
<b>A Deferred Tax Liability</b>		
Related to Fixed Assets : Difference between Depreciation charged for Financial Reporting and Depreciation as per Income Tax	52,354,343	51,923,658
Other Comprehensive Income	(2,121,321)	(3,721,250)
<b>B Gross Deferred Tax Liability</b>	<b>50,233,022</b>	48,202,408
<b>Gross Deferred Tax Asset</b>		
Disallowance under the Income Tax Act, 1961 U/s 43B	7,618,113	9,589,724
	<b>7,618,113</b>	9,589,724
<b>C Net Deferred Tax Liability (A-B)</b>	<b>42,614,909</b>	38,612,684
20 CURRENT BORROWINGS	As at 31st March 2020	As at 31st March 2019
<b>Secured Borrowings</b>		
<b>Working Capital Facilities from Banks</b>		
Cash Credits / Working Capital Demand Loan	1,196,187,825	1,292,830,008
	<b>1,196,187,825</b>	1,292,830,008
<b>Un-Secured Borrowings</b>		
Working Capital Demand Loan from Companies / NBFCs	69,994,203	70,000,000
Short Term Loan from Companies / NBFC's	38,716,509	75,000,000
	<b>108,710,712</b>	145,000,000
<b>Total</b>	<b>1,304,898,537</b>	1,437,830,008
20.1 Working Capital Facilities from Banks are secured by way of Charge on Company's Inventories, Book Debts, Charge on Land, Building, Plant & Machinery and all other movable fixed assets of the Company and guaranteed by Directors.		
20.2 Un-Secured Borrowings from Companies / NBFCs are secured by way of charge on personal Assets of Directors and guaranteed of Directors.		
21 TRADE PAYABLES	As at 31st March 2020	As at 31st March 2019
(a) Trade Payables - Total outstanding dues of Micro & Small Enterprises	105,355,191	81,740,659
(b) Trade Payables - Total outstanding dues of Creditors other than Micro & Small Enterprises	478,424,108	431,529,014
<b>Total</b>	<b>583,779,299</b>	513,269,673
21.1 All Trade Payables are non-interest bearing and payable or settled within normal operating cycle of the Company.		
21.2 Contractual Terms with Micro & Small Enterprises is 120 days, hence interest not provided.		
22 OTHER CURRENT FINANCIAL LIABILITIES	As at 31st March 2020	As at 31st March 2019
Current Maturities of Long Term Debt	54,118,701	42,528,757
Interest Accrued but not due on Borrowings	1,210,310	1,169,676
Unclaimed Dividend	2,846,294	2,948,303
<b>Total</b>	<b>58,175,305</b>	46,646,736

**NOTES to the Financial Statements for the year ended 31<sup>st</sup> March, 2020**

(Amounts in Rupees unless stated otherwise)

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

Sr. No.	Particulars	As at 31st March 2020	As at 31st March 2019
(a)	Secured Term Loans from Banks	26,813,219	23,355,327
(b)	Un-Secured Term Loans from Banks / NBFC's	27,305,482	19,173,430
		<b>54,118,701</b>	<b>42,528,757</b>

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

Sr. No.	Particulars	As at 31st March 2020	As at 31st March 2019
(a)	Secured by way of Charge on the Company's Motor Vehicles.	1,617,237	2,663,996
(b)	Secured by way of Primary Charge on Office Premises at Vastrapur, Gujarat.	2,013,870	1,839,331
(c)	Secured by way of Primary Charge on Land and Building at Moje Rajpur, Gujarat.	23,182,112	18,852,000
		<b>26,813,219</b>	<b>23,355,327</b>

22.3 Un-Secured Term Loans from Banks / NBFC's included in Current Maturities of Long Term Debt to the extent of Rs. 2,73,05,482/- (31st March, 2019, Rs. 1,91,73,430/-) are secured by way of Charge on personal Assets of Directors and guaranteed by the Directors.

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

23	OTHER CURRENT LIABILITIES	As at 31st March 2020	As at 31st March 2019
	Accrued Salaries and Benefits	157,702,170	95,607,049
	Advances / Credits from Customers	231,272,661	188,971,354
	Dues to Directors	2,626,078	4,207,877
	Security Deposits	83,370,641	89,180,745
	Statutory Dues	10,540,252	19,030,889
	Other Payables	135,960,315	47,552,725
	<b>Total</b>	<b>621,472,117</b>	<b>444,550,639</b>

23.1 Advances / Credits from Customers includes amount due to Related Party of Rs. 2,47,39,443/-

23.2 Statutory Dues includes Goods & Service Tax, Tax Deducted at Source, Tax Collected at Source, ESIC, Provident Fund and Profession Tax.

23.2 Other Payables includes mainly Staff Expense Claims and Provision for Expenses.

24	CURRENT PROVISIONS	As at 31st March 2020	As at 31st March 2019
	<b>Provision for Employee Benefits</b>		
	Gratuity	7,779,463	3,894,320
	Leave Salary	6,125,398	6,653,348
	One Time Incentive	280,394	231,624
	<b>Total</b>	<b>14,185,255</b>	<b>10,779,292</b>

25	CURRENT TAX LIABILITY (NET)	As at 31st March 2020	As at 31st March 2019
	Provision for Income Tax ( Net of Advance Tax / TDS )	23,987,386	36,297,300
	<b>Total</b>	<b>23,987,386</b>	<b>36,297,300</b>

## NOTES to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

(Amounts in Rupees unless stated otherwise)

26 REVENUE FROM OPERATIONS	Year Ended 31st March 2020	Year Ended 31st March 2020
Sales of Products	3,715,008,465	3,203,090,983
Less:- Discounts / Rebates	753,562,722	549,925,567
<b>Total</b>	<b>2,961,445,743</b>	<b>2,653,165,416</b>
26.1 Particulars of Sale of Products :		
Sr. Particulars No.	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>Manufactured Products</b>		
(a) Agricultural Mirconutrient and Speciality Fertilizers	2,545,143,269	2,121,288,102
(b) Insecticides and Pesticides	289,823,653	221,462,043
(c) Animal Feed and Feed Concentrates	23,746,963	89,509,156
(d) Others	4,304,940	3,873,718
	<b>2,863,018,825</b>	<b>2,436,133,019</b>
<b>Traded Products</b>		
(a) Agricultural Mirconutrient and Speciality Fertilizers	851,989,639	766,957,964
	<b>851,989,639</b>	<b>766,957,964</b>
Less:- Discounts / Rebates	753,562,722	549,925,567
	<b>2,961,445,742</b>	<b>2,653,165,416</b>
27 OTHER INCOME	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>Interest Income on :</b>		
Bank Fixed Deposits	1,444,529	2,600,408
Others	92,734	17,776,435
Interest on Loan to Subsidiary	49,208,574	41,991,305
<b>Other Non-Operating Income</b>		
Charges for Dishonoured Instruments		
Misc. / Other Income	208,667	203,161
Net Gain / (Loss) on Foreign Currency Transaction and Translation	70,682,213	12,570,489
<b>Total</b>	<b>121,636,717</b>	<b>75,141,798</b>
28 COST OF MATERIALS CONSUMED	Year Ended 31st March, 2020	Year Ended 31st March, 2019
1) Opening Stock of Raw Materials	323,267,126	298,879,493
Add : Purchases	697,533,594	516,973,508
	<b>1,020,800,720</b>	<b>815,853,001</b>
Less : Closing Stock of Raw Materials	361,919,685	323,267,127
Raw Material Consumed	<b>658,881,035</b>	<b>492,585,874</b>
2) Opening Stock of Packing Materials	87,891,900	98,854,266
Add : Purchases	159,979,531	144,790,280
	<b>247,871,431</b>	<b>243,644,546</b>
Less : Closing Stock of Packing Materials	79,501,128	87,891,900
Packing Materials Consumed	<b>168,370,303</b>	<b>155,752,646</b>
<b>Consumption of Materials (1+2)</b>	<b>827,251,338</b>	<b>648,338,520</b>

**NOTES to the Financial Statements for the year ended 31<sup>st</sup> March, 2020**

(Amounts in Rupees unless stated otherwise)

29 COST OF PRODUCTS TRADED	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Opening Stock of Traded Products	70,291,292	67,781,280
Add :- Purchases of Traded Products	474,133,453	512,143,943
	<b>544,424,745</b>	579,925,223
Closing Stock of Traded Products	78,260,528	70,291,292
Cost of Products Traded	<b>466,164,217</b>	509,633,931
30 (INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>Inventories at the beginning of the year</b>		
Finished Goods	816,417,856	805,963,475
	<b>816,417,856</b>	805,963,475
<b>Inventories at the end of the year</b>		
Finished Goods	860,625,531	816,417,856
<b>(Increase) / Decrease in Inventories</b>	<b>(44,207,675)</b>	(10,454,381)
31 EMPLOYEE BENEFIT EXPENSES	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Salaries, Wages and Allowances	336,180,967	241,928,254
Directors Remuneration	19,398,000	18,953,000
Contribution to Provident & Other Funds	33,582,998	31,513,630
Staff Welfare Expenses	7,343,011	7,586,175
<b>Total</b>	<b>396,504,976</b>	299,981,059

31.1 As per Ind AS 19 "Employee Benefits", the disclosure of employee benefits as defined in the Indian Accounting Standard (Ind AS) are given below :

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>Expense recognised for Defined Contribution Plan</b>		
Company's contribution to Provident Fund	25,820,810	24,166,721
	<b>25,820,810</b>	24,166,721

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

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

**Defined Benefit Plan**

All Employees who have completed five years or more of service are entitled to benefits of Gratuity. The Company has the Employee's Group Gratuity scheme managed by Life Insurance Corporation of India which is a Defined Benefit Plan. The Employees Leave Encashment scheme, which is a Defined Benefit Plan is unfunded.

Below table sets forth the changes in the projected benefit obligation and plan assets and amounts recognised in the Standalone Balance Sheet as at 31st March, 2020 and 31st March, 2019, being the respective measurement dates :

## NOTES to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

(Amounts in Rupees unless stated otherwise)

### I Reconciliation of opening and closing balances of the Present Value of the Defined Benefit Obligation

Particulars	Gratuity		Leave Encashment		One Time Incentive	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Present Value of Defined Benefit obligation at the beginning of the year	72,010,616	64,799,140	26,484,347	12,668,686	961,915	939,407
Current Service Cost	6,550,597	5,821,178	3,902,346	9,855,579	55,860	54,486
Interest Cost	4,895,485	4,377,784	1,737,288	962,820	63,035	62,094
Actuarial (gain) / loss	5,656,367	3,548,754	2,703,863	6,710,022	78,532	15,928
Benefits paid	(10,318,841)	(6,536,240)	(5,551,547)	(3,712,760)	(169,000)	(110,000)
Present Value of Defined Benefit obligation at the end of the year	78,794,224	72,010,616	29,276,297	26,484,347	990,342	961,915

### II Reconciliation of opening and closing balances of the Fair Value of the Plan Assets

Particulars	Gratuity	
	As at 31st March, 2020	As at 31st March, 2019
Fair Value of Plan Assets at the beginning of the year	68,116,296	64,645,800
Interest Income	4,849,368	4,587,335
Return on plan assets excluding amounts included in Interest Income	10,790	(375,698)
Contributions	3,894,320	5,795,099
Benefits paid	(10,318,841)	(6,536,240)
Actuarial gain / (loss)	-	-
Fair value of Plan Assets at the end of the year	66,551,933	68,116,296

### III Expenses recognised in Profit and Loss

Particulars	Gratuity		Leave Encashment		One Time Incentive	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Current Service Cost	6,550,597	5,821,178	3,902,346	9,855,579	55,860	54,486
Interest Cost	46,117	(209,551)	1,737,288	962,820	63,035	62,094
Net Cost recognised in Statement of Profit and Loss	6,596,714	5,611,627	5,639,634	10,818,399	118,895	116,580

### IV Expenses recognised in Other Comprehensive Income

Particulars	Gratuity		Leave Encashment		One Time Incentive	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Components of actuarial gain / losses on obligations :						
Due to change in financial assumptions	4,372,671	841,036	1,441,334	282,389	32,228	6,911
Due to change in demographic assumptions	(56,982)	-	(8,475)	(255,620)	(1,077)	-
Due to experience adjustments	1,340,678	2,707,718	1,271,004	6,683,253	47,381	9,017
Return on Plan Assets excluding amounts included in Interest Income	(10,790)	375,698	-	-	-	-
Net Cost recognised in Other Comprehensive Income	5,645,577	3,924,452	2,703,863	6,710,022	78,532	15,928

**NOTES to the Financial Statements for the year ended 31<sup>st</sup> March, 2020**

(Amounts in Rupees unless stated otherwise)

**V Assumptions used to determine the Defined Benefit Obligations :**

Particulars	Gratuity		Leave Encashment		One Time Incentive	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Mortality rate	<b>IALM 2006-08</b> Ultimate	IALM 2006-08 Ultimate	<b>IALM 2006-08</b> Ultimate	IALM 2006-08 Ultimate	<b>IALM 2006-08</b> Ultimate	IALM 2006-08 Ultimate
Discount rate (per annum)	<b>6.80%</b>	7.45%	<b>6.80%</b>	7.45%	<b>6.80%</b>	7.45%
Expected rate of Return on Plan Assets (per annum)	<b>6.80%</b>	7.45%				
Expected rate of increase in Salary (per annum)	<b>5.00%</b>	5.00%	<b>5.00%</b>	5.00%	<b>NA</b>	NA
Expected Average remaining working lives of Employees (Years)	<b>23.62</b>	24.08	-	-	-	-

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 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.

**VI Sensitivity Analysis :**

Particulars	Change in Assumption	Effect on Gratuity obligation	Change in Assumption	Effect on Leave Salary	Change in Assumption	Effect on One Time Incentive
<b>For the year ended 31st March, 2019</b>						
Discount Rate	+0.5%	69,284,463	+0.5%	25,567,606	+0.5%	939,353
	-0.5%	74,968,162	-0.5%	27,474,514	-0.5%	985,841
Salary Growth Rate	+0.5%	74,727,927	+0.5%	27,493,550	+0.5%	987,380
	-0.5%	69,401,617	-0.5%	25,542,714	-0.5%	937,774
Withdrawal Rate	+10.0%	72,387,478	+10.0%	26,549,155	-	-
	-10.0%	71,614,565	-10.0%	26,417,050	-	-
<b>For the year ended 31st March, 2020</b>						
Discount Rate	<b>+0.5%</b>	<b>75,388,867</b>	<b>+0.5%</b>	<b>28,154,705</b>	<b>+0.5%</b>	<b>965,319</b>
	<b>-0.5%</b>	<b>82,502,019</b>	<b>-0.5%</b>	<b>30,490,519</b>	<b>-0.5%</b>	<b>1,017,011</b>
Salary Growth Rate	<b>+0.5%</b>	<b>82,112,352</b>	<b>+0.5%</b>	<b>30,506,106</b>	<b>+0.5%</b>	<b>1,018,408</b>
	<b>-0.5%</b>	<b>75,602,895</b>	<b>-0.5%</b>	<b>28,131,000</b>	<b>-0.5%</b>	<b>963,873</b>
Withdrawal Rate	<b>+10.0%</b>	<b>79,132,896</b>	<b>+10.0%</b>	<b>29,320,405</b>	-	-
	<b>-10.0%</b>	<b>78,438,528</b>	<b>-10.0%</b>	<b>29,230,606</b>	-	-

Sensitivity analysis is performed by varying a single parameter while keeping all other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the Projected Unit Credit method has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

**VII History of Experience adjustments is as follows :**

Particulars	Gratuity	Leave Salary	One Time Incentive
<b>For the year ended 31st March, 2019</b>			
Plan Liabilities - (loss) / gain	(2,707,718)	(6,683,253)	(9,017)
Plan Assets - (loss) / gain	-	-	-
<b>For the year ended 31st March, 2020</b>			
Plan Liabilities - (loss) / gain	<b>(1,340,678)</b>	<b>(1,271,004)</b>	<b>(47,381)</b>
Plan Assets - (loss) / gain	-	-	-

## NOTES to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

(Amounts in Rupees unless stated otherwise)

### VIII Estimate of Expected Benefit payments

Particulars	Gratuity		Leave Salary		One Time Incentive	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
1st April, 2019 to 31st March, 2020	-	12,598,810	-	6,330,081	-	231,624
1st April, 2020 to 31st March, 2021	11,145,474	5,502,312	5,942,737	2,069,215	280,394	161,922
1st April, 2021 to 31st March, 2022	10,462,716	9,691,073	2,595,986	2,381,092	131,533	123,560
1st April, 2022 to 31st March, 2023	5,845,822	6,332,085	2,203,677	2,263,093	170,592	159,091
1st April, 2023 to 31st March, 2024	6,301,670	5,657,864	2,500,121	2,234,040	51,074	45,678
1st April, 2024 to 31st March, 2025	5,093,405	21,663,088	1,782,400	7,658,381	58,663	273,384
1st April, 2025 to 31st March, 2026 and Onwards	22,517,799	-	8,799,824	-	249,339	-

### IX Statement of Employee Benefit Provision

Particulars	Gratuity		Leave Encashment		One Time Incentive	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Fair Value of Plan Assets	(66,551,933)	(68,116,296)	-	-	-	-
Present Value of Obligation	78,794,224	72,010,616	29,276,297	26,484,347	990,342	961,915
<b>Net Liability / (Asset)</b>	<b>12,242,291</b>	<b>3,894,320</b>	<b>29,276,297</b>	<b>26,484,347</b>	<b>990,342</b>	<b>961,915</b>

### X Current and Non-Current provision for Gratuity, Leave Salary and One Time Incentive

Particulars	Gratuity		Leave Encashment		One Time Incentive	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Current	7,779,463	3,894,320	6,125,398	6,653,348	280,394	231,624
Non-Current	4,462,828	-	23,150,899	19,830,999	709,948	730,291
<b>Total</b>	<b>12,242,291</b>	<b>3,894,320</b>	<b>29,276,297</b>	<b>26,484,347</b>	<b>990,342</b>	<b>961,915</b>

### 32 FINANCE COST

	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>Interest Expense</b>		
On Term Loans	25,629,239	32,139,907
On Bank Borrowings	161,447,500	139,719,782
On Security Deposits	5,585,195	5,972,502
Other Interest	47,487,300	75,052,354
Bank and Finance Charges	15,061,965	21,136,306
<b>Total</b>	<b>255,211,199</b>	<b>274,020,851</b>

### 5 DEPRECIATION & AMORTISATION

	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Depreciation	52,936,192	23,643,932
Amortisation	708,014	423,569
<b>Total</b>	<b>53,644,206</b>	<b>24,067,501</b>

**NOTES to the Financial Statements for the year ended 31<sup>st</sup> March, 2020**

(Amounts in Rupees unless stated otherwise)

33 OTHER EXPENSES	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>Manufacturing Expenses</b>		
Freight Inward	25,090,007	18,821,420
Miscellaneous Expenses	7,668,503	6,784,882
Power & Fuel	19,848,342	24,081,773
Processing Charges	44,408,777	37,278,859
Rent, Rates & Taxes	2,191,581	2,680,237
Repairs to Building	750,109	642,972
Repairs to Machinery	4,480,842	3,412,686
Research & Development Expenses	17,640,382	15,493,407
Security Charges	1,094,542	959,981
Stores and Spare Parts consumed	2,086,493	1,432,303
Wages & Allowances	69,489,862	62,196,461
	<b>194,749,440</b>	<b>173,784,981</b>
<b>Selling &amp; Distribution Expenses</b>		
Advertisement and Publicity Expenses	208,289,753	132,415,368
Freight & Delivery Expenses	193,647,658	159,626,763
Selling Expenses	12,579,935	8,067,156
Travelling Expenses	118,065,056	111,391,570
	<b>532,582,402</b>	<b>411,500,857</b>
<b>Other Administration Expenses</b>		
Audit Fees	2,000,000	2,000,000
Conveyance & Motor Car Expenses	44,674,549	43,513,233
Corporate Social Responsibility (CSR) Expenses	4,224,404	3,404,522
Electricity	1,279,778	1,291,699
General Expenses	7,749,464	4,066,707
Insurance	23,995,727	25,745,812
Legal & Professional Fees	26,539,445	22,296,295
Loss on Sale of Asset	9,691,101	1,747,717
Postage & Telephones	4,122,979	4,747,671
Printing & Stationery	5,139,159	6,240,150
Rent, Rates & Taxes	38,387,639	53,172,828
Repairs & Maintenance	2,498,309	1,809,149
	<b>170,302,554</b>	<b>170,035,783</b>
<b>Total</b>	<b>897,634,396</b>	<b>755,321,621</b>

**33.1 Other Disclosures**
**a) Auditor's Remuneration**

Sr. No.	Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>1</b>	<b>Statutory Auditors</b>		
(i)	Audit Fees	2,000,000	2,000,000
(ii)	Limited Review Report Fees	75,000	75,000
(iii)	Certification and Consultancy Fees	95,000	150,000
	<b>Total</b>	<b>2,170,000</b>	<b>2,225,000</b>



## NOTES to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

(Amounts in Rupees unless stated otherwise)

### b) Expenditure incurred on Corporate Social Responsibility

Details of expenditure on Corporate Social Responsibility Activities as per Section 135 of the Companies Act, 2013 read with Schedule III are as below :

Sr. No.	Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
(i)	Farmers Call Centre	877,423	520,898
(ii)	Education including Farmers	750,759	1,828,531
(iii)	Health Care	1,687,464	430,896
(iv)	Infrastructure Support	908,758	624,198
		<b>4,224,404</b>	<b>3,404,523</b>

### 34 EARNINGS PER SHARE (EPS)

The following is a reconciliation of the Equity Shares used in the computation of basic and diluted earnings per Equity Share :

Sr. No	Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
(i)	Issued Equity Shares	13,004,339	13,004,339
	<b>Weighted Average Shares outstanding - Basic and Diluted</b>	<b>13,004,339</b>	<b>13,004,339</b>

Net Profit available to Equity Shareholders of the Company used in the basic and diluted earnings per share was determined as follows

Sr. No	Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
(i)	Profit and Loss after Tax for attributable to Equity Shareholders	156,106,919	148,979,985
(ii)	Basic Earning per Equity Share	12.00	11.46
(iii)	Face Value per Equity Share	10	10

### 35.1 LEASE COMMITMENTS ( Company is a Lessee )

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Company.

The Effect of Adoption of IND AS 116 as at April 01, 2019 (Increase /(Decrease)) is as follows:

Particulars	Year Ended 31st March, 2020
<b>Assets</b>	
Right of use assets	90,440,312
<b>Increase in Total Assets</b>	<b>90,440,312</b>
<b>Liabilities</b>	
Financial Liabilities - Lease Liabilities (Current + Non-Current)	90,440,312
<b>Increase in Total Liabilities</b>	<b>90,440,312</b>

Following is the movement in lease liabilities during the year :

Particulars	Year Ended 31st March, 2020
As at April 01, 2019	-
Addition on account of Adoption of IND AS 116	90,440,312
Addition during the year	-
Interest Expenses	9,044,031
Payments	22,255,767
As at March 31, 2020	<b>77,228,576</b>

**NOTES to the Financial Statements for the year ended 31<sup>st</sup> March, 2020**

(Amounts in Rupees unless stated otherwise)

Following are the amounts recognised in statement of profit or loss :

Particulars	Year Ended 31st March, 2020
Depreciation expense of right-of-use assets	26,653,252
Interest Expense on lease liabilities	9,044,031
Rent Expense - short-term leases and leases of low value assets	21,492,207
<b>Total amounts recognised in profit or loss</b>	<b>57,189,490</b>

**36. RELATED PARTY DISCLOSURES**

Related Party Disclosures as per Ind AS 24 issued by the Institute of Chartered Accountants of India

(Amounts in Rupees unless stated otherwise)

Part - A Details of Related Parties			
Sr. No.	Nature of Relationship	Name of the Related Party	Remarks
1	Key Management Personnel	a) Dr. Rahul Mirchandani b) Mr. S. Ramamurthy - upto 05-11-2019 c) Mr. Vivek Joshi - w.e.f. 09-12-2019 d) Mr. Qaiser P. Ansari	a) Chairman & Managing Director b) President & Chief Financial Officer c) Chief Financial Officer e) Company Secretary & Sr. VP (Legal)
2	Entities where Control exists - Subsidiaries and Indirect Subsidiaries [ Extent of Holding ]	a) Aries Agro Care Pvt Ltd [100%] b) Aries Agro Equipments Pvt Ltd [100%] c) Mirabelle Agro Marketing Pvt Ltd [100%] d) Golden Harvest Middle East FZC [75%]	a) Date of Incorporation 5th January, 2007 b) Date of Incorporation 12th January, 2007 c) Date of Incorporation 26th December, 2019 d) Date of Incorporation 31st October, 2004
3	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.	
4	Relatives of Key Management Personnel	<b>Name of the Key Management Personnel</b> a) Dr. Rahul Mirchandani  b) Mrs. Nitya Mirchandani	<b>Name of the Relative</b> a) Mrs. Nitya Mirchandani b) Master Armaan Mirchandani c) Dr. Jimmy Mirchandani d) Mr. Akshay Mirchandani e) Mr. Amol Mirchandani  <b>Relationship</b> a) Spouse b) Son c) Brother d) Nephew e) Nephew  a) Spouse b) Son
5	Associates	a) Amarak Chemicals FZC	Date of Incorporation 9th September, 2007

Part - B Disclosure of Transactions between the Company and Related Parties				
Sr. No.	Category	Nature of Service	Year Ended 31st March, 2020	Year Ended 31st March, 2019
1	Key Management Personnel	Directors Remuneration paid Loan repaid Loan taken Salary Paid	<b>17,658,000</b> - - <b>11,750,140</b>	17,658,000 30,000,000 30,000,000 8,495,083
2	Subsidiaries	Loan / Advance given Loan Taken / Refund of Advance Share Investments Interest Income on Loan	<b>36,425,667</b> <b>9,390,849</b> <b>100,000</b> <b>49,208,574</b>	257,875,420 89,477,291 - 41,991,305
3	Relatives of Key Management Personnel	Legal & Professional Fees (Gross) Rent Sitting Fees Salary Paid	<b>8,425,168</b> <b>300,000</b> <b>440,000</b> <b>3,013,694</b>	8,236,613 175,000 407,500 2,944,663

## NOTES to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

(Amounts in Rupees unless stated otherwise)

Part - C Balance Outstanding with Related Parties				
Category	Nature of Outstanding	Name of the Related Party	As at 31st March, 2020	As at 31st March, 2019
Key Management Personnel	Dues to Directors	Dr. Rahul Mirchandani	2,626,078	1,364,885
	Salary	Mr. Vivek Joshi	359,687	-
		Mr. Qaiser P. Ansari	124,736	116,428
		Golden Harvest Middle East FZC	993,593,021	836,739,547
	Trade Payables	Golden Harvest Middle East FZC	24,739,443	22,658,780
	Share Investments	Aries Agro Care Pvt Ltd	100,000	100,000
		Aries Agro Equipments Pvt Ltd	100,000	100,000
		Mirabelle Agro Manufacturing Pvt Ltd	100,000	-
		Golden Harvest Middle East FZC	202,489,000	202,489,000
Relatives of Key Management Personnel	Dues to Directors (including Professional Fees)	Dr. Jimmy Mirchandani	4,153,696	2,842,992
	Salary	Mr. Akshay Mirchandani	68,515	75,139
		Mr. Amol Mirchandani	48,789	71,700
		Mr. Akshay Mirchandani	22,500	25,000
Associates	Sundry Debtors	Amarak Chemicals FZC	12,507,647	11,455,715

### 37. Contingent Liability not provided for in the accounts:

- a) Letters of credit / guarantees given / Bills discounting Rs.1,932.31 Lakhs.
  - b) Claims against company not acknowledged as debts Rs. 4,932.57 Lakhs which includes tax dues disputed as Rs. 49.88 Lakhs towards sales Tax, Rs. 243.73 Lakhs towards Income Tax, Rs. 4,631.99 Lakhs towards central excise & customs and Rs. 6.97 Lakhs pertaining to pending suits regarding quality issue.
  - c) 1) The Commissioner of CGST & Central Excise, Navi Mumbai, had passed an order confirming demand of Rs. 4.79 Crores on account of Central Excise duty, penalty on the said amount of Rs. 4.79 Crores on the classification of sixteen micronutrient fertilizers products relating to the Mumbai Factory against which the Company filed an appeal before the Central Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai and the same is pending before CESTAT Mumbai
- 2 (a). The Commissioner of Central Excise, Ahmedabad – II, had passed an order confirming demand of Rs. 3.81 Crores on account of Central Excise duty, interest on the said amount and penalty of like amount i.e. Rs.3.81 Crores on the classification of micronutrient fertilizers relating to the Sanand facility against which the Company has filed an appeal before the Central Excise and Service Tax Appellate Tribunal (CESTAT), Ahmedabad and the same is pending before CESTAT, Ahmedabad..
  2. (b). The Commissioner of Central GST & Central Excise, Ahmedabad, had passed an order confirming demand of Rs. 13.84 Crores on account of Central Excise duty, penalty on the said amount of Rs. 13.84 Crores on the classification nine micronutrient fertilizers products relating to the Chhatral factory against which the Company has preferred an appeal before the Central Excise and Service Tax Appellate Tribunal (CESTAT), Ahmedabad.

The Central Board of Excise and Customs vide their Circular No. 1022/10/2016/CX dated 06/04/2016 have clarified that Micronutrients are not classifiable as Plant Growth Regulators and hence are not classifiable under Chapter Heading No. 38.08 of the Central Excise Act.

In view of legal pronouncement and the above referred Circular, the Show Cause-Cum-Demand Notices are liable to be dropped.

- 3 (a). The Company has been classifying Sulphur Bentonite under Chapter Heading No. 25030090 as other forms of Sulphur. However, the Customs authorities classified Sulphur Bentonite imported under Chapter Heading No. 25030010 "as recovered byproduct in refining of crude oil". The Additional Commissioner of Customs, Nhava Sheva confirmed the classification under Chapter Heading No. 25030010 and demanded an amount of Rs. 29.91 Lakhs, in addition penalty of like amount i.e. Rs. 29.91 Lakhs along with fine and penalty of Rs. 7.00 Lakhs each on the Chairman & Managing Director and Purchase Manager of the Company.

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

**NOTES to the Financial Statements for the year ended 31<sup>st</sup> March, 2020**

(Amounts in Rupees unless stated otherwise)

- 3 (b). The Company has been classifying Zn-EDTA & Fe-EDTA under Chapter Heading No. 31059090 as other Fertiliser for Mumbai Factory. However, the Customs authorities classified imported under Chapter Heading No. 29224990 "as Organic Chemical. The Commissioner of Customs, Nhava Sheva confirmed the classification under Chapter Heading No. 29224990 and pass order and demanded an amount of Rs. 81.84 Lakhs, on account of Custom Duty with Interest against which the Company has preferred an appeal before the Customs, Excise & Service Tax Appellate Tribunal Mumbai.

**38. Segmental Reporting as per Ind AS - 108**

The Company has only One business Segment "Agri Inputs" as its primary segment and hence disclosure of segment-wise information is not required under Ind AS 108 'Operating Segments' notified pursuant to the Companies (Indian Accounting Standard) Rules, 2016 (as amended).

39. The Company's management has made initial assessment of likely impact from the pandemic COVID-19 on business and financial risks based on internal and external sources of information including economic forecasts, measures being under taken by Government. The management believes while the COVID-19 may adversely impact on the business in the very short-term, it does not anticipate material medium to Long-Term risks to the business prospects owing to nature of business. The Company has also considered the possible effects of COVID-19 on the carrying amounts of property plant and equipment, intangible assets, receivables and debt covenants using reasonably available information, estimates and judgement and has determined that none of these balances require a material adjustment to their carrying values.
40. In F.Y. 2019-20, M/s. Golden Harvest Middle East FZC has reduced its stake from 75% to 49% in M/s Amarak Chemicals FZC. As a result of this, M/s. Amarak Chemicals FZC is now no more a step down subsidiary of M/s. Aries Agro Ltd. Divestment of 26% stake in Step Down Subsidiary M/s Amarak Chemicals FZC was made strategically to mobilize resources to re-start operations at Fujairah facilities. This strategic decision has helped realize old receivables and sourcing of raw material.

**41. Events Occurring after Balance Sheet**
**Dividend proposed to be distributed**

(Amount in Rupees unless stated otherwise)

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Dividend proposed for Equity Shareholders in Previous Year @ Rs. 1.80 per share	-	2,34,07,810
<b>Total</b>	<b>-</b>	<b>2,34,07,810</b>

(Amounts in Rupees unless stated otherwise)

Supplementary Profit and Loss Data	Year Ended 31st March 2020	Year Ended 31st March 2019
(a) Value of Imports calculated on CIF basis (on accrual basis) :	<b>39,38,06,440</b>	26,31,14,584

42. (b) Earnings in Foreign Currency (on accrual basis)		
F.O.B. Value of export sales	<b>24,67,931</b>	9,12,500
Interest on Loans	<b>4,92,08,574</b>	4,19,91,305

(c) Expenditure in Foreign Currency (on accrual basis)		
Foreign Traveling Expenses	<b>3,49,346</b>	5,31,555
Legal & Professional Fees	<b>84,25,168</b>	82,36,613

(d) Details of Consumption of Raw Materials :				
Particulars	Year Ended 31 <sup>st</sup> March 2020		Year Ended 31 <sup>st</sup> March 2019	
Imported	<b>21,95,99,210</b>	<b>33.33%</b>	12,08,93,647	24.54%
Indigenous	<b>43,92,81,825</b>	<b>66.67%</b>	37,16,92,227	75.46%
<b>Total</b>	<b>65,88,81,035</b>	<b>100.00%</b>	49,25,85,874	100.00%

**NOTES to the Financial Statements for the year ended 31<sup>st</sup> March, 2020**

(Amounts in Rupees unless stated otherwise)

43. The Company has acquired vehicles in the name of the Directors which is yet to be transferred in the name of the Company. The Company has all the ownership rights and Depreciation thereon has been charged at the rates prescribed in the Schedule II to the Companies Act, 2013.
44. Previous Years figures have been regrouped and rearranged 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 of Directors of Aries Agro Limited****For Sandeep Sheth & Associates**Chartered Accountants  
Firm Registration No. 120685W**Sandeep Sheth**Proprietor  
Membership No 101903  
UDIN 20101903AAAABR6871**Place** : Mumbai**Date** : 26th June, 2020**Dr. Rahul Mirchandani**Chairman & Managing Director  
DIN 00239057**Dr. Jimmy Mirchandani**Director  
DIN 00239021**Mrs. Nitya Mirchandani**Director  
DIN 06882384**Prof. R. S. S. Mani**Director  
DIN 00527270**Mr. C. B. Chhaya**Director  
DIN 00968966**Mr. B.V. Dholakia**Director  
DIN 01871816**Mr. Vivek Joshi**Chief Financial Officer  
Membership No. ACA-101683**Mr. Qaiser P. Ansari**Company Secretary &  
Senior VP (Legal)  
Membership No. ACS-8979

**NOTES to the Financial Statements for the year ended 31<sup>st</sup> March, 2020**

(Amounts in Rupees unless stated otherwise)

Statement Pursuant to first proviso to sub-section (3) of section 129 the Companies Act 2013, read with rule 5 of Companies (Account) Rules, 2014 in the prescribed Form AOC - 1 relating to subsidiary companies -As on 31st March, 2020

		(Rupees in Lakhs)													
Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Share Capital	Other Equity	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding	Country
1	Aries Agro Care Pvt. Ltd.	INR	1.00	1.00	(33.16)	33.34	33.34	-	-	(2.62)	-	(2.62)	-	100 %	India
2	Aries Agro Equipments Pvt. Ltd.	INR	1.00	1.00	75.69	80.83	80.83	-	-	(0.60)	-	(0.60)	-	100 %	India
3	Mirabelle Agro Manufacturing Pvt. Ltd.	INR	1.00	1.00	(0.44)	0.70	0.70	-	-	(0.44)	-	(0.44)	-	100 %	India
4	Golden Harvest Middle East FZC	AED	20.57	30.86	1,575.47	15,507.72	15,507.72	302.38	-	(723.72)	-	(723.72)	-	75 %	UAE

**As per our report of even date**

**For Sandeep Sheth & Associates**  
Chartered Accountants  
Firm Registration No. 120685W

**Sandeep Sheth**  
Proprietor  
Membership No 101903  
UDIN 20101903AAAABR6871

**Place :** Mumbai  
**Date :** 26th June, 2020

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

**Dr. Rahul Mirchandani**  
Chairman & Managing Director  
DIN 00239057

**Dr. Jimmy Mirchandani**  
Director  
DIN 00239021

**Mrs. Nitya Mirchandani**  
Director  
DIN 06882384

**Prof. R. S. S. Mani**  
Director  
DIN 00527270

**Mr. C. B. Chhaya**  
Director  
DIN 00968966

**Mr. B.V. Dholakia**  
Director  
DIN 01871816

**Mr. Vivek Joshi**  
Chief Financial Officer  
Membership No. ACA-101683

**Mr. Qaiser P. Ansari**  
Company Secretary &  
Senior VP (Legal)  
Membership No. ACS-8979

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF ARIES AGRO LIMITED

#### Report on the Audit of the Consolidated Financial Statements

##### Opinion

We have audited the accompanying consolidated financial statements of Aries Agro Limited ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

##### OTHER MATTERS

We did not audit the financial statements of certain Indian subsidiaries which reflect total assets of Rs. 1,14,87,119/- as at 31<sup>st</sup> March 2020 total revenue of Rs. Nil/- and net cash flow amounting to Rs. (579)/- for the year then ended, share of Loss of the group is Rs. 3,66,197/- as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.

We did not audit the financial statements / consolidated financial statements of one foreign subsidiary whose financial statements reflect total assets of AED 7,49,62,325 as at 31<sup>st</sup> March, 2020 total revenues of AED NIL and net cash flow amounting to AED (30,487) for the year ended on that date and financial statements of an associate in which the share of loss of the group is AED (39,45,953) These financial statements / consolidated financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.

One subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

<b>Key Audit Matter</b>	<b>Auditor's Response</b>
<p><b>Evaluation of uncertain tax positions</b></p> <p>The Group has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>The Group has disclosed in contingent liabilities (to the extent not provided for) towards direct and indirect tax position.</p> <p>Refer Notes 4 (M) and 38 to the Consolidated Financial Statements</p> <p>The Group undergo assessment proceedings from time to time with direct and indirect tax authorities. There is a high level of judgment required in estimating the level of provisioning and/or disclosure required.</p> <p>The management's assessment is supported by the advice from independent tax consultants and legal consultants, where considered necessary by the management. Accordingly, unexpected adverse outcome, if any, could impact significantly the company's reported profit and balance sheet position.</p>	<p><b>Principal Audit Procedures</b></p> <p>Obtained details of completed tax assessment and demands for the year ended March 31, 2020 from management. We involved group's legal and tax consultants to challenge the management's underlying assumptions in estimating the tax provision, liabilities and the possible outcome of the disputes. Group's legal and tax consultants also considered legal precedence and other ruling evaluating management's position on these uncertain tax</p> <p>positions. Additionally, we considered the effect of new information in respect of uncertain tax position as at April 1, 2018 to evaluate whether any change is required to management's position on these uncertainties.</p> <p>We did not identify any material exception as a result of above procedure relating to management's assessment of provisions.</p>

#### **Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of Auditor's Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

#### **Management's Responsibility for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in

equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance



is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under

Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the directors of the Company as on March 31, 2020 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration

paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group.
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

For **Sandeep Sheth & Associates**  
Chartered Accountants  
(Firm's Registration No. 120685W)

**Sandeep Sheth**  
Proprietor  
(Membership No. 101903)  
UDIN 20101903AAAABU4565

Date: 26<sup>th</sup> June, 2020  
Place: Mumbai

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Aries Agro Limited of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Aries Agro Limited (hereinafter referred to as “Company”) and its subsidiary companies, which are companies incorporated in India, as of that date.

### Management’s Responsibility for Internal Financial Controls.

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

### Auditor’s Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Sandeep Sheth & Associates**  
Chartered Accountants  
(Firm’s Registration No. 120685W)

**Sandeep Sheth**  
Proprietor

Date: 26<sup>th</sup> June, 2020  
Place: Mumbai

(Membership No.101903)  
UDIN 20101903AAAABU4565

## Balance Sheet as on 31st March, 2020

(Amounts in Rupees unless stated otherwise)

PARTICULARS	Note Nos.	As at 31st March, 2020	As at 31st March, 2019
<b>I. ASSETS</b>			
(1) <b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	5	413,566,087	951,547,019
(b) Right of Use Asset	5	63,787,060	-
(c) Capital Work in Progress		121,148,396	145,216,316
(d) Intangible Assets	5	2,253,901	2,752,412
(e) Financial Assets Non-Current Investments	6	594,323,132	15,000
		1,195,078,576	1,099,530,747
(2) <b>Current Assets</b>			
(a) Inventories	7	1,380,306,872	1,297,868,174
(b) Financial Assets			
(i) Trade Receivables	8	1,162,742,697	1,858,926,735
(ii) Cash & Cash Equivalents	9	7,713,418	44,827,007
(iii) Other Bank Balances	10	33,006,994	41,841,506
(iv) Current Loans	11	1,184,035	1,212,601
(v) Other Financial Assets	12	1,124,062	1,638,311
(c) Other Current Assets	13	1,089,923,089	597,553,587
		3,676,001,167	3,843,867,921
		4,871,079,743	4,943,398,667
<b>II. EQUITY AND LIABILITIES</b>			
(1) <b>Equity</b>			
(a) Equity Share Capital	14	130,043,390	130,043,390
(b) Other Equity	15	1,812,140,138	1,760,991,754
		1,942,183,528	1,891,035,144
(2) <b>Non-Controlling Interest</b>	16		
Non-Controlling Interest - Equity		51,093,904	149,829,716
Non-Controlling Interest - Non-Equity		37,187,590	87,685,004
		88,281,494	237,514,720
(3) <b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
Non Current Borrowings	17	143,387,662	132,694,137
Other Non-Current Liabilities	18	42,113,302	-
(b) Non Current Provisions	19	29,061,887	21,178,846
(c) Deferred Tax Liability (Net)	20	42,614,909	38,612,684
		257,177,760	192,485,667
(4) <b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Current Borrowings	21	1,305,507,105	1,543,201,551
(ii) Trade Payables	22		
(a) Trade Payables - Total outstanding dues of Micro & Small Enterprises		105,355,191	81,740,659
(b) Trade Payables - Total outstanding dues of Creditors other than Micro & Small Enterprises		479,134,730	480,786,358
(iii) Other Current Financial Liabilities	23	58,175,305	46,646,736
(b) Other Current Liabilities	24	597,091,989	422,911,240
(c) Current Provisions	25	14,185,255	10,779,292
(d) Current Tax Liability (Net)	26	23,987,386	36,297,300
		2,583,436,961	2,622,363,136
		4,871,079,743	4,943,398,667
<b>TOTAL</b>			
<b>Summary of Significant Accounting Policies</b>	4		

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

As per our report of even date

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

**For Sandeep Sheth & Associates**  
Chartered Accountants  
Firm Registration No. 120685W

**Dr. Rahul Mirchandani**  
Chairman & Managing Director  
DIN 00239057

**Prof. R. S. S. Mani**  
Director  
DIN 00527270

**Mr. Vivek Joshi**  
Chief Financial Officer  
Membership No. ACA-101683

**Sandeep Sheth**  
Proprietor  
Membership No 101903  
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**Mr. Qaiser P. Ansari**  
Company Secretary &  
Senior VP (Legal)  
Membership No. ACS-8979

**Place :** Mumbai  
**Date :** 26th June, 2020

**Mrs. Nitya Mirchandani**  
Director  
DIN 06882384

**Mr. B.V. Dholakia**  
Director  
DIN 01871816

## Statement of Profit and Loss for the year ended 31st March, 2020

(Amounts in Rupees unless stated otherwise)

PARTICULARS	Note Nos.	Year Ended 31st March, 2020	Year Ended 31st March, 2019
I. Revenue from Operations	27	3,715,008,465	3,203,090,983
Less :- Discounts / Rebates		753,562,722	549,925,567
		2,961,445,743	2,653,165,416
II. Other Income	28	72,428,150	33,157,824
III. Total Revenue ( I + II )		3,033,873,893	2,686,323,240
IV. Expenses :			
(a) Cost of Materials Consumed	29	827,251,338	648,338,521
(b) Cost of Products Traded	30	466,164,217	509,633,931
(c) (Increase) / Decrease in Inventories of Finished Goods and Stock-in-Trade	31	(44,207,675)	(10,454,381)
(d) Employee Benefits Expense	32	397,946,843	301,476,933
(e) Finance Costs	33	255,338,376	289,448,057
(f) Depreciation and Amortization	5	53,644,206	24,152,092
(g) Other Expenses	34	916,551,298	768,317,083
Total Expenses		2,872,688,603	2,530,912,236
V. Profit Before Tax ( PBT ) - ( III - IV )		161,185,290	155,411,004
VI. Tax Expense			
(a) Current Tax		64,700,000	80,900,000
(b) Adjustment of Tax relating to earlier periods		3,949,338	371,568
(c) Deferred Tax		6,123,546	(2,853,442)
Income Tax Expense		74,772,884	78,418,126
VII. Profit / (Loss) after Tax ( V - VI )		86,412,406	76,992,878
VIII. Add / (Less) :- Share of Profit / (Loss ) of Associates		(8,426,686)	-
IX. Profit / (Loss) for the Period		77,985,720	76,992,878
X. Profit / (Loss) for the year attributable to :			
Owners of the Parent		97,424,470	98,824,646
Non-Controlling Interest		(19,438,750)	(21,831,768)
		77,985,720	76,992,878
XI. Other Comprehensive Income			
(A) Items that will not be reclassified to Profit or Loss			
(i) Remeasurements of Defined Benefit Plans		(8,427,972)	(10,650,402)
(ii) Less :- Income Tax relating to Items that will not be reclassified to Profit or Loss		(2,121,321)	(3,721,250)
		(6,306,651)	(6,929,152)
(B) Items that will be reclassified to Profit or Loss			
(i) Exchange Differences in translating the Financial Statements of Foreign Operation		(3,413,249)	(2,155,804)
(ii) Less :- Income Tax relating to Items that will be reclassified to Profit or Loss		-	-
		(3,413,249)	(2,155,804)
		(9,719,900)	(9,084,956)
XII. Total Comprehensive Income for the year ( IX + XI )		68,265,820	67,907,922
XIII. Other Comprehensive Income for the year attributable to :			
Owners of the Parent		(8,866,587)	(8,428,452)
Non-Controlling Interest		(853,313)	(656,504)
		(9,719,900)	(9,084,956)
XIV. Total Comprehensive Income for the year attributable to :			
Owners of the Parent		88,557,883	90,396,194
Non-Controlling Interest		(20,292,063)	(22,488,272)
		68,265,820	67,907,922
XV. Earnings per Equity Share	35		
(1) Basic & Diluted		7.49	7.60
Summary of Significant Accounting Policies	5		

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

As per our report of even date

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

For Sandeep Sheth & Associates

Chartered Accountants  
Firm Registration No. 120685W

Dr. Rahul Mirchandani  
Chairman & Managing Director  
DIN 00239057

Prof. R. S. S. Mani  
Director  
DIN 00527270

Mr. Vivek Joshi  
Chief Financial Officer  
Membership No. ACA-101683

Sandeep Sheth  
Proprietor  
Membership No 101903  
UDIN 20101903AAAABR6871

Dr. Jimmy Mirchandani  
Director  
DIN 00239021

Mr. C. B. Chhaya  
Director  
DIN 00968966

Mr. Qaiser P. Ansari  
Company Secretary &  
Senior VP (Legal)  
Membership No. ACS-8979

Place : Mumbai  
Date : 26th June, 2020

Mrs. Nitya Mirchandani  
Director  
DIN 06882384

Mr. B.V. Dholakia  
Director  
DIN 01871816

## Statement of Changes in Equity for the year ended 31st March, 2020

(Amounts in Rupees unless stated otherwise)

**Note No. 14**

A	Equity Share Capital	Balance as at 31st March, 2019	Changes in Equity Capital during the year	Balance as at 31st March, 2020	Non-Controlling Interest - Equity
		130,043,390	-	130,043,390	51,093,904

**Note No. 15**

B	Other Equity	Attributable to the Equity Holders of the Parent						Non-Controlling Interest - Non Equity		
		Reserves & Surplus								
		Securities Premium Reserve	Legal Reserve	Foreign Currency Translation Reserve	General Reserve	Retained Earnings	TOTAL		Items of Other Comprehensive Income	Balance as at 31st March, 2020
		490,037,050	17,320,504	131,950,169	102,956,310	1,034,022,420	1,776,286,453	(15,294,699)	1,760,991,754	87,685,004
	Add / (Less) :- Profit / (Loss) for the year	-	-	-	-	86,412,406	86,412,406	-	86,412,406	-
	Add / (Less) :- Share of Profit / (Loss) of Associates	-	-	-	-	(6,426,686)	(6,426,686)	-	(6,426,686)	-
	Add / (Less) :- Share of Non-Controlling Interest in Profit & Loss	-	-	-	-	19,438,750	19,438,750	-	19,438,750	(19,438,750)
	Add / (Less) :- Share of Non-Controlling Interest in Legal Reserve	-	(385,688)	-	-	-	(385,688)	-	(385,688)	385,688
	Add / (Less) :- Remeasurements of Defined Benefits Plan	-	-	-	-	-	-	(6,306,651)	(6,306,651)	-
	Add / (Less) :- Exchange Rate Difference on Translating Financial Statements of Foreign Operations	-	-	-	-	-	-	(3,413,249)	(3,413,249)	-
	Add / (Less) :- Share of Non-Controlling Interest in OCI	-	-	-	-	-	-	863,313	863,313	(863,313)
	Add / (Less) :- Dividend Paid for F Y 2018-19	-	-	-	-	(23,408,027)	(23,408,027)	-	(23,408,027)	-
	Add / (Less) :- Dividend Distribution Tax Paid for F Y 2018-19	-	-	-	-	(4,811,544)	(4,811,544)	-	(4,811,544)	-
	Add / (Less) :- Dividend Paid for F Y 2019-20	-	-	-	-	(6,503,756)	(6,503,756)	-	(6,503,756)	-
	Add / (Less) :- Dividend Distribution Tax Paid for F Y 2019-20	-	-	-	-	(1,336,866)	(1,336,866)	-	(1,336,866)	-
	Add / (Less) :- Foreign Currency Translation Reserve	-	(15,777,754)	12,741,291	-	-	12,741,291	-	12,741,291	-
	Add / (Less) :- On Account of Divestment of Step Down Subsidiary	-	(16,163,442)	12,741,291	-	490,818	(15,286,936)	1,582,027	(13,704,909)	(30,591,039)
	<b>Balance as at 31st March, 2020</b>	490,037,050	1,157,062	144,691,460	102,956,310	61,855,095	1,834,719,397	(22,579,259)	1,812,140,138	37,187,590
		490,037,050.00	17,320,504.00	98,534,082.00	102,956,310.00	997,032,442.00	1,705,880,388.00	(6,866,247.00)	1,699,014,141.00	121,376,705.00
	Add / (Less) :- Profit / (Loss) for the year	-	-	-	-	76,992,878.00	76,992,878.00	(6,929,152.00)	70,063,726.00	-
	Add / (Less) :- Share of Non-Controlling Interest in Retained Earnings	-	-	-	-	21,831,769.00	21,831,769.00	-	21,831,769.00	(21,831,769.00)
	Add / (Less) :- Re-measurements of the net defined benefit plans	-	-	-	-	-	-	-	-	-
	Add / (Less) :- Exchange Rate Difference on Translating Financial Statements of Foreign Operations	-	-	-	-	-	-	(2,155,804.00)	(2,155,804.00)	-
	Add / (Less) :- Share of Non-Controlling Interest in OCI	-	-	-	-	-	-	656,504.00	656,504.00	(656,504.00)
	Add / (Less) :- Provision for Doubtful Debts	-	-	-	-	(25,834,868.00)	(25,834,868.00)	-	(25,834,868.00)	-
	Add / (Less) :- Dividend Paid for F Y 2017-18	-	-	-	-	(29,910,833.00)	(29,910,833.00)	-	(29,910,833.00)	-
	Add / (Less) :- Dividend Distribution Tax Paid for F Y 2017-18	-	-	-	-	(6,088,968.00)	(6,088,968.00)	-	(6,088,968.00)	-
	Add / (Less) :- Foreign Currency Translation Reserve	-	33,416,087.00	-	-	-	33,416,087.00	-	33,416,087.00	-
	<b>Balance as at 31st March, 2019</b>	490,037,050.00	17,320,504.00	131,950,169.00	102,956,310.00	1,034,022,420.00	1,776,286,453.00	(15,294,699.00)	1,760,991,754.00	87,685,004.00

## Statement of Cash Flows for the year ended 31st March, 2020

(Amounts in Rupees unless stated otherwise)

Sr. No.	Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>A)</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before tax as per Statement of Profit and Loss	161,185,290	155,411,004
	<b>Adjusted for :</b>		
	Depreciation and Amortisation Expense	53,644,206	24,152,093
	Loss on Sale of Assets (net)	25,628,737	1,747,717
	Effect of Exchange Rate change	(11,839,937)	13,259,948
	Interest Income	(50,745,837)	(20,384,156)
	Provision for Employees Terminal Benefits	63,952	-
	Share of Loss of Associate	8,796,596	-
	Finance Costs	255,211,199	289,448,058
	Operating Profit before Working Capital Changes	441,944,206	463,634,664
	<b>Adjusted for :</b>		
	(Increase) / Decrease in Trade Receivables	(7,081,493)	(37,134,066)
	(Increase) / Decrease in Inventories	(82,438,697)	(26,389,660)
	Increase / (Decrease) in Trade Payables	69,906,185	(15,765,869)
	Increase / (Decrease) in Provisions & Other Current Liabilities	176,741,823	140,552,663
	Cash Generated from Operations	599,072,024	524,897,732
	Income Taxes (paid) / received (Net)	(68,649,338)	(81,271,568)
	<b>Net Cash Flow from Operating Activities (A)</b>	530,422,686	443,626,164
<b>B)</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
	Purchase of Fixed Assets ( Property, Plant & Equipment, Intangible Assets, Capital work in progress (WIP)	(135,120,369)	(82,810,534)
	Proceeds from Sale of Fixed Assets	2,396,122	2,422,000
	(Increase) in amount due from Related Parties	(36,950,527)	-
	Increase in amount due to Related Parties	80,019,110	-
	Movement in Short Term Loans and Advances & Other Assets	(314,364,596)	(39,380,882)
	Interest Income	50,745,837	20,384,156
	<b>Net Cash Flow from / ( used in) Investing Activities (B)</b>	(353,274,423)	(99,385,260)
<b>C)</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
	Increase / (Decrease) in Shareholders Capital / Current Account	-	(43,470,930)
	Dividend Paid	(29,911,783)	(29,910,833)
	Tax on Dividend paid	(6,148,410)	(6,088,968)
	Non Current Borrowings ( Net )	10,693,525	(31,553,500)
	Current Borrowings ( Net )	24,245,543	40,196,390
	Finance Costs	(255,211,199)	(289,448,058)
	Repayment of Lease Liability	33,069,271	-
	Repayment of Interest on Lease Liability	9,044,031	-
	<b>Net Cash ( used in ) / from financing activities (C)</b>	(214,219,022)	(360,275,899)
	Net Increase in Cash and Cash Equivalents	(37,070,759)	(16,034,995)
	Opening Balance of Cash and Cash Equivalents	44,784,177	60,862,002
	Closing Balance of Cash and Cash Equivalents	7,713,418	44,827,007

**NOTE :** 1 The above statement has been prepared under the indirect method set out in Ind AS-7 " Statement of Cash Flows ".  
2 Figures in the bracket indicate cash out flow.

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

**As per our report of even date**

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

**For Sandeep Sheth & Associates**  
Chartered Accountants  
Firm Registration No. 120685W

**Dr. Rahul Mirchandani**  
Chairman & Managing Director  
DIN 00239057

**Prof. R. S. S. Mani**  
Director  
DIN 00527270

**Mr. Vivek Joshi**  
Chief Financial Officer  
Membership No. ACA-101683

**Sandeep Sheth**  
Proprietor  
Membership No 101903  
UDIN 20101903AAAABR6871

**Dr. Jimmy Mirchandani**  
Director  
DIN 00239021

**Mr. C. B. Chhaya**  
Director  
DIN 00968966

**Mr. Qaiser P. Ansari**  
Company Secretary &  
Senior VP (Legal)  
Membership No. ACS-8979

**Place :** Mumbai  
**Date :** 26th June, 2020

**Mrs. Nitya Mirchandani**  
Director  
DIN 06882384

**Mr. B.V. Dholakia**  
Director  
DIN 01871816

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

### 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 Equipment Private Limited as a Wholly Owned Subsidiary for carrying business in all type of farm equipment, machinery, etc.

In December, 2019 the Company incorporated Mirabelle Agro Manufacturing Private Limited as a Wholly Owned Subsidiary for carrying business in Mineral Feed Supplements.

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 trading of plant nutrients.

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. In F.Y. 2019-20, M/s. Golden Harvest Middle East FZC has reduced its stake from 75% to 49% in M/s Amarak Chemicals FZC. As a result of this, M/s. Amarak Chemicals FZC is now no more a step down subsidiary of M/s. Aries Agro Ltd.

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

These Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the Historical Cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act 2013 (the Act) (to the extent notified) and guidelines issued by Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under section 133 of the Act read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the Accounting Policy hitherto in use.

As the quarter and year end, year end figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year figures reported in the statement.

The preparation of the financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The 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 effects only that period or in the period of the revision and future periods if the revision affects both current and future years.

The consolidated financial statements relate to the 'ARIES GROUP' together with its Subsidiaries. Subsidiary are those entities in which the Parent directly or indirectly, has interest more than 50% of the voting power or otherwise control the composition of the board or governing body so as to obtain economic benefits from activities. The consolidated financial statements have been prepared on the following basis:-

- a) The financial statements of the subsidiaries are combined on a line-by-line basis by adding together the like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions and unrealized profits or losses in accordance with Ind AS 110 – 'Consolidated Financial Statements' notified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended time to time.
- b) In the case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average exchange rates prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Components of equity are translated at closing rate. Any gain / (Loss) on exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve (FCTR).
- c) Non-controlling Interest (NCI) in the net assets of the consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately from liabilities and the equity attributable to the Parent's shareholders. NCI in the net assets of the consolidated subsidiaries consists of:



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

- The amount of equity attributable to NCI at the date on which investment in a subsidiary is made; and
  - The NCI share of movement in the equity since the date the parent subsidiary relationship came into existence.
- d) NCI in the total comprehensive income (comprising of profit and loss and other comprehensive income) for the year, of consolidated subsidiaries is identified and adjusted against the total comprehensive income of the Group.
- e) Where Group has contractual obligation (Put, call or any other) to deliver cash or another financial asset and to settle any compound financial instruments classified by subsidiary as equity or mix of equity and liability, to the extent there is such an obligation or a component of it subject to obligation, the equity component considered by subsidiary is classified as financial liability in consolidated financial statement.
- f) For acquisitions of additional interests in subsidiaries, where there is no change in control, the Group recognises a reduction to the non-controlling interest of the respective subsidiary with the difference between this figure and the cash paid, inclusive of transaction fees, being recognised in equity. In addition, upon dilution of non-controlling interests the difference between the cash received from sale or listing of the subsidiary shares and the increase to non-controlling interest is also recognised in equity. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit and loss. Any investment retained is recognised at fair value. The results of subsidiaries acquired or disposed off will be included in the consolidated Profit and Loss Statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.
- g) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the companies separate financial statements.

### 2.1 Statement of Compliance

The Comparative Standalone Financial Statements comprising Balance Sheet, Statement of Profit and Loss (including other Comprehensive Income), Statement of Changes in Equity, Cash Flow Statement, together with the Notes to accounts along with a summary of the significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2020 have been prepared in accordance with the Ind AS as stated above.

### 2.2 Basis of Measurement - Historic Cost Convention

These Standalone Financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that is measured at fair value (refer accounting policy regarding financial instruments);
- Defined benefit plans – plan assets measured at fair value

All assets and liabilities has been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

### 2.3 Functional and Presentation Currency

Items included in the Financial Statements of the entity are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). Indian Rupee is the Functional currency of the Company.

The Financial statements are presented in Indian Rupees, which is the Company's presentation currency.

### 2.4 Use of Estimates:

The preparation of Financial Statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realized may differ from these estimates. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized and, if material, their effects are disclosed in the notes to the Financial Statements.

**Estimates and assumptions are required in particular for :**

- (i) **Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalized :**

Useful life of tangible assets is based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful life is different from that prescribed in Schedule II, it is based on technical advice, taking into account the nature of the asset, estimated usage and operating conditions of the asset, past history of replacement and maintenance support. An assumption also needs to be made, when the Company assesses, whether an asset may be capitalized and which components of the cost of the asset may be capitalized.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

### (ii) Recognition and measurement of defined benefit obligations :

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

### (iii) Recognition of deferred tax assets :

A Deferred tax asset is recognized for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. The management assumes that taxable profits will be available while recognizing deferred tax assets.

### (iv) Recognition and measurement of other provisions :

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions.

### (v) Discounting of long-term financial liabilities :

All financial liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities, which are required to be subsequently measured at amortized cost, interest is accrued using the effective interest method.

## 3. Current Versus Non-Current Classification :

(i) The assets and liabilities in the Balance Sheet are based on current/ non – current classification. An asset is current when it is:

1. Expected to be realized or intended to be sold or consumed in normal operating cycle.
2. Held primarily for the purpose of trading.
3. Expected to be realized within twelve months after the reporting period, or
4. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non - current.

(ii) A liability is current when it is:

1. Expected to be settled in normal operating cycle
2. Held primarily for the purpose of trading
3. Due to be settled within twelve months after the reporting period, or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are treated as non - current.

Deferred tax assets and liabilities are classified as non - current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents

## 4. Significant Accounting Policies

### A) Plant, Property & Equipment :

All the Property, Plant and Equipment have been carried at value in accordance with the previous GAAP. The Company has elected these value as deemed cost at the date of transition to Ind AS.

Property, Plant & Equipment are stated at original cost net of tax/ duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. All costs, including finance costs incurred up to the date the asset is ready for its intended use.

When significant parts of property, plant and equipment are required to be replaced at intervals, the company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly.

All the other repair and maintenance costs are recognized in the statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

Property, Plant & Equipment are eliminated from the financial statements either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment and gains and losses arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

Subsequent expenditure related to an item of Property, Plant & Equipment 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 Property, Plant & Equipment, 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 Plant, Property and Equipment 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.

### **B) Depreciation & Amortization :**

- a) Depreciation on property, plant & equipment is provided on a straight-line basis over the useful life of assets as specified in schedule II to the companies Act, 2013. In case of Property, plant & Equipment that are added/ disposed off during the year depreciation is provided on pro-rata basis with reference to the month of addition/ deletion.

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.

- b) Depreciation methods, useful life and residual values are reviewed at each reporting date and adjusted if appropriate.

### **C) Intangible Assets :**

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over the irrespective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The useful lives of intangible assets are assessed as either finite or infinite.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is considered to modify the amortized period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite useful life are amortized over the useful economic life and assessed for impairment whenever there is any indication that the intangible asset may be impaired.

Intangibles with indefinite useful life, if any are not amortized, but are tested for impairment annually, either individually or at the cash generating unit level.

### **D) Impairment of Non-Current Assets :**

As at each balance sheet date, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognized in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, if any, the Company determines the recoverable amount and impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In the case of an individual asset, at the higher of the fair value less cost to sell and the value in use; and
- In the case of cash generating unit (a group of assets that generate identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset.

In determining fair value less cost disposal, recent market transaction are taken in to account.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

Intangible assets with indefinite useful lives are tested for impairment annually, as appropriate, and when circumstances indicate that the carrying value may be impaired.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

### E) Cash and Cash Equivalents :

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### F) Inventories and WIP:

Inventories are valued at the lower of cost and net realizable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

#### a) 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. Raw material, store and spares: Cost on FIFO basis or net realizable value, whichever is lower.

#### b) 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.

#### c) 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.

#### d) Waste and scrap are not separately valued being insignificant in value.

#### e) 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.

### G) Retirement benefits :

#### a) Short Term Employee Benefits:

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

Short - term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### b) Post-Employment Benefits :

##### i) Defined Contribution Plans :

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.

##### ii) Defined Contribution Plans :

The employees' gratuity fund scheme is the Company's defined benefit plan. The present value of the obligation under the said defined benefit plan is determined on the basis of actuarial valuation from an independent actuary using the Projected Unit Credit Method.

The gratuity benefit of the Company is administered by a trust formed for this purpose through the group gratuity scheme.

Re-measurements comprising of actuarial gain and losses, the effect of the asset ceiling and the return on plan assets (excluding amount included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur.

Re-measurements are not re-classified to the statement of profit and loss in subsequent periods.

Past service cost is recognized in the statement of profit & loss in the period of plan amendment.

Net interest is calculated by applying the discounted rate to the net defined benefit liability or asset.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

### c) Other Long Term Employee Benefits :

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.

### H) Non-current assets held for sale :

Non Current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Non Current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

The criteria for held for sale/ distribution classification is regarded met only when the assets are available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated,
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale to owners are not depreciated or amortized.

### I) Foreign Currency :

#### Functional and Presentation Currency

Consolidated financial statements have been presented in Indian Rupees (₹), which is the Group's functional currency and Group's presentation currency. Each entity in the Group determines its own functional currency (the currency of the primary economic environment in which the entity operates) and items included in the financial statements of each entity are measured using that functional Currency.

#### Transactions and Balances :

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. Exchange difference that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the Statement of Profit and Loss in the period in which they arise.

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.

### J) Financial Instruments :

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### 1) Financial Assets :

##### (i) Classification

Financial Assets comprises of Investments in Equity and Debt securities, Trade Receivables, Cash and Cash equivalents, Borrowings and other Financial Assets.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

(ii) **Initial recognition measurement :**

All financial assets is recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial Assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

(iii) **Subsequent Recognition**

a) **Financial Assets measured at amortized cost**

Financial assets are measured at amortized cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are measured at amortized cost using the effective interest rate (EIR) method.

The EIR amortization is recognized as finance income in the Statement of Profit and Loss.

**Trade receivables**

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method, less provision for impairment. For some trade receivables the Group may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counter party is in default under the terms of the agreement.

Impairment is made on the expected credit losses, which are the present value of the shortfalls over the expected life of financial assets. The estimated impairment losses are recognized in a separate provision account and the impairment losses are recognized in the Statement of Profit and Loss within other expenses.

For foreign currency trade receivable, impairment is assessed after reinstatement at closing rates.

Subsequent changes in assessment of impairment are recognized in provision for impairment and changes in impairment losses are recognized in the Statement of Profit and Loss within other expenses.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

Subsequent recoveries of amounts previously written off are credited to other Income

b) **Financial Assets measured at fair value through other comprehensive income (FVTOCI)**

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

c) **Financial Assets measured at fair value through profit or loss (FVTPL)**

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognized in profit or loss.

d) **Investment in Subsidiary and Associates**

Investment in equity instruments of Subsidiaries and Associates are measured at cost. Provision for Impairment loss on such investment is made only when there is a diminution in value of the investment, which is other than temporary.

e) **Investment in Debt Instruments**

A debt instrument is measured at amortized cost or at FVTPL. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

(iv) **De-recognition of Financial Assets:**

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

2) **Financial Liabilities:**

(i) **Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and, in the case of loans, borrowings, and payables, net of directly attributable transaction costs.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, security deposits and other deposits.

**(ii) Subsequent measurement:**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity.

All other changes in fair value of such liability are recognised in the statement of profit or loss.

**(iii) Loans and Borrowings :**

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

**(iv) Trade and Other Payables**

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent unpaid liabilities for goods and services provided to the Group till the end of financial year. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Trade payables are recognised initially at their fair value and subsequently measured at amortized cost using the effective interest rate method.

**(v) Derecognition of Financial Liabilities :**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

**K) Borrowing Costs :**

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset (net of income earned on temporary deployment of funds) are capitalized as a part of the cost of such assets. Borrowing cost consists of interest, other cost incurred in connection with borrowings of fund and exchange differences to the extent regarded as an adjustment to the borrowing cost. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are charged to the Statement of Profit and Loss.

**L) Leases :**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**i) Right-of-Use Assets**

The Company recognises right-of-use assets ("RoU Assets") at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

### ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company has used 10% uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liabilities has been presented under the head "Other Financial Liabilities".

### iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### M) Taxes :

#### (a) Current Income Tax :

- (i) Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.

Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of the previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognized amounts; and
  - intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.
- (ii) Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit & loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### (b) Deferred Tax :

- (i) Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at the reporting date.
- (ii) The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognized to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted at the balance sheet date.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in the income statement. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

#### (c) Value added taxes / GST:

Expenses and assets are recognized net of the amount of GST/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

- When receivables and payables are stated with the amount of tax included The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

**(d) Minimum Alternate Tax :**

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.

**N) 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, regardless of when the payment is being made.

The specific recognition criteria described below must also be met before revenue is recognized.

**(a) Sale of products :**

As stated in Ind AS 115, Revenue from sale of products is recognized when the entity transfers the control of goods and services to customers at an amount that the entity expects to be entitled. The Company collects Goods and Service Tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied net of discounts, returns etc. Ind As 115 is based on a five step model as mentioned below.

1. Identify the contract with customer
2. Identify the performance obligation
3. Determine the transactions price
4. Allocate transaction price
5. Recognize Revenue when (or as) performance obligations are satisfied.

**(b) Other Income :**

**Interest Income**

Interest income is recognized on accrual basis at applicable interest rates. For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payment or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial assets interest income is included in other income in the statement of profit & loss.

**Dividend Income**

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

**O) Dividend / Distribution :**

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

**P) Earnings Per Share:**

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.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares, that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2020

### Q) Segment Reporting :

#### Identification of segments

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

### R) Provisions, Contingent Liabilities and Contingent Assets :

A provision is recognized if as a result of a past event the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are not recognized but disclosed in the Financial Statements when economic inflow is probable.

(a) Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- (i) the Company has a present obligation as a result of past event,
- (ii) a probable outflow of resources is expected to settle the obligation; and
- (iii) the amount of obligation can be reliably estimated.
- (iv) If the effect of time value of money is material, provisions are discounted using current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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.

(b) Contingent liabilities are disclosed in case of:

- (i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation,
- (ii) a present obligation arising from past events, when no reliable estimate is possible,
- (iii) a possible obligation arising from past events where the probability of outflow of resources is not remote.

(c) Contingent assets are neither recognized nor disclosed.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions and Contingent Liabilities are recognized / disclosed after an evaluation of the facts and legal aspects and the amounts are reviewed on the Balance Sheet date.

### S) Research & Development Expenditure:

Revenue expenditure pertaining to research is charged to statement of profit and loss. Development costs of products are charged to the statement of Profit and loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalized.



**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

(Amounts in Rupees unless stated otherwise)

6 NON-CURRENT INVESTMENTS	No. of Shares	Face Value	As at 31st March, 2020	No. of Shares	Face Value	As at 31st March, 2019
<b>(Unquoted and fully paid up)</b>						
<b>A) Equity Shares</b>						
<b>(i) <u>Associates (Investments accounted using Equity Method)</u></b>						
a) Amarak Chemicals FZC	9800	AED 150	30,237,901	-	-	-
Add / (Less) :- Share of Profit / (Loss) in Associates			(8,796,596)			-
			<b>21,441,305</b>			-
<b>(ii) Other Investment (at Cost)</b>						
b) Aries Agro Produce Pvt Ltd	1500	10	15,000	1500	10	15,000
			15,000			15,000
			<b>21,456,305</b>			15,000
<b>B) Share Application Money</b>						
(a) Amarak Chemicals FZC			572,866,827			-
			572,866,827			-
<b>Total</b>			<b>594,323,132</b>			15,000

7 INVENTORIES	As at 31st March, 2020	As at 31st March, 2019
<b>(At lower of cost or Net Realisable Value)</b>		
<b>(As Certified and valued by the Management)</b>		
Raw Materials	361,919,685	322,948,733
Finished Goods	860,625,531	816,417,856
Stock-in-Trade ( in respect of Goods acquired for Trading )	78,260,528	70,291,292
Packing Materials	79,501,128	88,210,293
<b>Total</b>	<b>1,380,306,872</b>	<b>1,297,868,174</b>

8 TRADE RECEIVABLES	As at 31st March, 2020	As at 31st March, 2019
<b>Unsecured</b>		
Considered Good	1,162,742,697	1,858,926,735
<b>Total</b>	<b>1,162,742,697</b>	<b>1,858,926,735</b>

**8.1 Ageing of Trade Receivables**

Particulars	Ageing		Total
	More than 6 months	Less than 6 months	
<b>As at 31st March, 2020</b>			
Unsecured			
Considered Good	184,831,433	977,911,264	1,162,742,697
<b>Gross Total</b>	<b>184,831,433</b>	<b>977,911,264</b>	<b>1,162,742,697</b>
As at 31st March, 2019	886,192,785	972,733,950	1,858,926,735

8.2 Trade Receivables are non-interest bearing and receivable in normal operating cycle

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

(Amounts in Rupees unless stated otherwise)

9 CASH AND CASH EQUIVALENTS	As at 31st March, 2020	As at 31st March, 2019
Balance with Banks in Current Accounts	7,452,037	44,806,684
Cash on hand	261,381	20,323
<b>Total</b>	<b>7,713,418</b>	<b>44,827,007</b>

10 OTHER BANK BALANCES	As at 31st March, 2020	As at 31st March, 2019
Fixed Deposits with Banks held as Margin Money (Maturity less than One Year)	30,160,700	38,893,203
Unclaimed Dividend Accounts	2,846,294	2,948,303
<b>Total</b>	<b>33,006,994</b>	<b>41,841,506</b>

10.1 Fixed Deposits are kept as Margin against various Credit Limits / Guarantees

11 CURRENT LOANS	As at 31st March, 2020	As at 31st March, 2019
<b>(Unsecured and Considered Good)</b>		
Loans to Employees	1,184,035	1,212,601
	<b>1,184,035</b>	<b>1,212,601</b>

12 OTHER CURRENT FINANCIAL ASSETS	As at 31st March, 2019	As at 31st March, 2019
Interest Accrued but not due	1,124,062	1,638,311
	<b>1,124,062</b>	<b>1,638,311</b>

12.1 Interest Accrued but not due includes Interest accrued on various Fixed Deposits with Banks

13 OTHER CURRENT ASSETS	As at 31st March, 2020	As at 31st March, 2019
<b>(Unsecured and Considered Good)</b>		
Advances to Related Parties of Subsidiaries	759,112,899	-
Other Advances	322,311,315	588,863,794
Security Deposits	8,498,875	8,689,793
<b>Total</b>	<b>1,089,923,089</b>	<b>597,553,587</b>

13.1 Other Advances includes :

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Balances with Taxation Authorities	52,928,460	58,380,516
(b) Advance to Suppliers	265,751,073	524,238,771
(c) Imprest Advance for Vehicle Expenses	109,975	122,475
(d) Prepaid Expenses	3,521,807	6,122,032
	<b>322,311,315</b>	<b>588,863,794</b>

a) All the above Advances are interest free

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

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

(Amounts in Rupees unless stated otherwise)

14 EQUITY SHARE CAPITAL	As at 31st March, 2020	As at 31st March, 2019
<b>Authorised</b>		
1,50,00,000 Equity Shares of Rs. 10/- each	150,000,000	150,000,000
	<b>150,000,000</b>	<b>150,000,000</b>
<b>Issued, Subscribed and Fully Paidup</b>		
1,30,04,339 (31st March, 2019 1,30,04,339) Equity Shares of Rs. 10/- each.	130,043,390	130,043,390
	<b>130,043,390</b>	<b>130,043,390</b>

**14.1 Reconciliation of the number of Equity Shares :**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Shares outstanding at the beginning of the year	13,004,339	13,004,339
Add : - Issued during the year	-	-
Less :- Shares cancelled during the year	-	-
Shares outstanding at the end of the year	<b>13,004,339</b>	<b>13,004,339</b>

**14.2 List of Shareholder's holding more than 5 % Shares in the Company :**

Name of the Shareholders	As at 31st March, 2020		As at 31st March, 2019	
	No of Shares	% of Holding	No of Shares	% of Holding
(i) Dr. Jimmy Mirchandani	3,254,830	25.03%	3,344,830	25.72%
(ii) Dr. Rahul Mirchandani	2,893,221	22.25%	2,803,221	21.56%
<b>Total</b>	<b>6,148,051</b>	<b>47.28%</b>	<b>6,148,051</b>	<b>47.28%</b>

**15 Nature of Reserves**

- 15.1 **Securities Premium Reserve** : represents the amount received in excess of par value of securities i.e equity shares. Premium on redemption of securities is accounted in security premium available. Where security premium is not available, premium on redemption of securities is accounted in statement of profit and loss. Section 52 of Companies Act, 2013 specify restriction and utilisation of security premium.
- 15.2 **Legal Reserve** : represents reserve created out of profit of the Company in accordance with the provisions of Memorandum and Articles of Association of the Company.
- 15.3 **Foreign Currency Translation Reserve** : represents difference in valuation of Investment in Overseas Subsidiary
- 15.4 **General Reserve** : represents the statutory reserve, this is in accordance with Indian Corporate law wherein a portion of profit is apportioned to general reserve. Under Companies Act, 1956 it was mandatory to transfer amount before a Company can declare dividend, however under Companies Act, 2013 transfer of any amount to General reserve is at the discretion of the Company.
- 15.5 **Retained Earnings** : represent the undistributed profits of the Company
- 15.6 **Other Comprehensive Income Reserve** : represent the balance in equity for items to be accounted in Other Comprehensive Income. Other Comprehensive Income is classified into i) items that will not be reclassified to profit and loss, ii) items that will be reclassified to profit and loss.

16 NON-CONTROLLING INTEREST	As at 31st March, 2020	As at 31st March, 2019
Non-Controlling Interest - Equity	51,093,904	149,829,716
Non-Controlling Interest - Non-Equity	37,187,590	87,685,004
	<b>88,281,494</b>	<b>237,514,720</b>

- 16.1 Non-Controlling Interest as at 31st March, 2020, represents that part of the profit / (Loss) and net assets of Golden Harvest Middle East FZC to the extent of 375 Shares (25%) held by other parties.

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

(Amounts in Rupees unless stated otherwise)

17 NON - CURRENT BORROWINGS	As at 31st March, 2020	As at 31st March, 2019
<b>Secured Term Loans</b>		
Term Loans from Banks	18,363,221	29,368,765
	<b>18,363,221</b>	29,368,765
<b>Un-Secured Term Loans</b>		
Term Loans from Banks	125,024,441	103,325,372
	<b>125,024,441</b>	103,325,372
<b>Total</b>	<b>143,387,662</b>	132,694,137

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

Sr. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
(a)	Secured by way of Charge on the Company's Motor Vehicles.	3,747,928	5,857,490
(b)	Secured by way of Primary Charge on Office Premises at Vastrapur, Gujarat.	4,201,405	6,215,275
(c)	Secured by way of Primary Charge on Land and Building at Moje Rajpur, Gujarat.	10,413,888	17,296,000
		<b>18,363,221</b>	29,368,765

17.2 Un-Secured Term Loans from Banks / NBFC's are secured by way of Charge on personal Assets of Directors and guaranteed by the Directors.

17.3 Maturity Profile of Term Loans are as set out below :

Sr. No.	Financial Years	Secured Term Loans from Banks	Un-Secured Term Loans from Banks	Total
(a)	2020-21	26,813,219	27,305,482	54,118,701
	<b>Sub-Total</b>	<b>26,813,219</b>	<b>27,305,482</b>	<b>54,118,701</b>
(b)	2021-22	8,943,326	24,594,972	33,538,298
(c)	2022-23	8,400,185	24,594,972	32,995,157
(d)	2023-24 & Above	1,019,710	75,834,497	76,854,207
	<b>Sub-Total</b>	<b>18,363,221</b>	<b>125,024,441</b>	<b>143,387,662</b>
	<b>Total Grand-Total</b>	<b>45,176,440</b>	<b>152,329,923</b>	<b>197,506,363</b>

17.4 Rs. 5,41,18,700/- is shown in Current Maturities ( On 31st March, 2019 Rs. 4,25,28,757/- )

18 OTHER NON - CURRENT LIABILITIES	As at 31st March, 2020	As at 31st March, 2019
<b>Lease Liabilities</b>		
Liability of Right to use Asset	42,113,302	-
	<b>42,113,302</b>	-

19 NON CURRENT PROVISIONS	As at 31st March, 2020	As at 31st March, 2019
<b>Provision for Employee Benefits (Refer Note No. 32)</b>		
Gratuity	5,201,040	617,556
Leave Salary	23,150,899	19,830,999
One Time Incentive	709,948	730,291
<b>Total</b>	<b>29,061,887</b>	21,178,846

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

(Amounts in Rupees unless stated otherwise)

20	<b>DEFERRED TAX LIABILITY</b>	As at 31st March, 2020	As at 31st March, 2019
	<b>A Deferred Tax Liability</b>		
	Related to Fixed Assets : Difference between Depreciation charged for Financial Reporting and Depreciation as per Income Tax	52,354,343	51,923,658
	Other Comprehensive Income	(2,121,321)	(3,721,250)
	<b>B Gross Deferred Tax Liability</b>	<b>50,233,022</b>	<b>48,202,408</b>
	<b>Gross Deferred Tax Asset</b>		
	Disallowance under the Income Tax Act, 1961 U/s 43B	7,618,113	9,589,724
		<b>7,618,113</b>	<b>9,589,724</b>
	<b>C Net Deferred Tax Liability (A-B)</b>	<b>42,614,909</b>	<b>38,612,684</b>
21	<b>CURRENT BORROWINGS</b>	As at 31st March, 2020	As at 31st March, 2019
	<b>Secured Borrowings</b>		
	<b>Working Capital Facilities from Banks</b>		
	Cash Credits	1,196,187,825	1,292,830,008
		<b>1,196,187,825</b>	<b>1,292,830,008</b>
	<b>Un-Secured Borrowings</b>		
	Working Capital Demand Loan from Companies / NBFCs	69,994,203	70,000,000
	From Related Parties	608,568	661,728
	Short Term Loan from Companies / NBFC's	38,716,509	75,000,000
	From Others	-	104,709,815
		<b>109,319,280</b>	<b>250,371,543</b>
	<b>Total</b>	<b>1,305,507,105</b>	<b>1,543,201,551</b>
21.1	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.		
21.2	Un-Secured Borrowings from Companies / NBFCs are secured by way of personal guarantee of Directors.		
22	<b>TRADE PAYABLES</b>	As at 31st March, 2020	As at 31st March, 2019
	(a) Trade Payables - Total outstanding dues of Micro & Small Enterprises	105,355,191	81,740,659
	(b) Trade Payables - Total outstanding dues of Creditors other than Micro & Small Enterprises	479,134,730	480,786,358
	<b>Total</b>	<b>584,489,921</b>	<b>562,527,017</b>
22.1	All Trade Payables are non-interest bearing and payable or settled within normal operating cycle of the Company.		
22.2	Contractual Terms with Micro & Small Enterprises is 120 days, hence interest not provided.		
23	<b>OTHER CURRENT FINANCIAL LIABILITIES</b>	As at 31st March, 2020	As at 31st March, 2019
	Current Maturities of Long Term Debt	54,118,701	42,528,757
	Interest Accrued but not due on Borrowings	1,210,310	1,169,676
	Unclaimed Dividend	2,846,294	2,948,303
	<b>Total</b>	<b>58,175,305</b>	<b>46,646,736</b>



## Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

(Amounts in Rupees unless stated otherwise)

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

Sr. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
(a)	Secured Term Loans from Banks	26,813,219	23,355,327
(b)	Un-Secured Term Loans from Banks	27,305,482	19,173,430
		<b>54,118,701</b>	<b>42,528,757</b>

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

Sr. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
(a)	Secured by way of Charge on the Company's Motor Vehicles.	1,617,237	2,663,996
(b)	Secured by way of Primary Charge on Office Premises at Vastrapur, Gujarat.	2,013,870	1,839,331
(c)	Secured by way of Primary Charge on Land and Building at Moje Rajpur, Gujarat.	23,182,112	18,852,000
		<b>26,813,219</b>	<b>23,355,327</b>

23.3 Un-Secured Term Loans from Banks / NBFC's included in Current Maturities of Long Term Debt to the extent of Rs. 2,73,05,482/- (31st March, 2019, Rs. 1,91,73,430/-) are secured by way of Charge on personal Assets of Directors and guaranteed by the Directors.

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

24 OTHER CURRENT LIABILITIES	As at 31st March, 2020	As at 31st March, 2019
Accrued Salaries and Benefits	157,857,534	96,251,452
Advances / Credits from Customers	206,533,218	166,312,574
Dues to Directors	2,626,078	4,207,877
Security Deposits	83,390,641	89,200,745
Statutory Dues	10,540,252	19,030,889
Other Payables	136,144,266	47,907,703
<b>Total</b>	<b>597,091,989</b>	<b>422,911,240</b>

24.1 Statutory Dues includes Goods & Service Tax, Tax Deducted at Source, Tax Collected at Source, ESIC, Provident Fund and Profession Tax.

24.2 Other Payables includes mainly Staff Expense Claims and Provision for Expenses.

25 CURRENT PROVISIONS	As at 31st March, 2020	As at 31st March, 2019
<b>Provision for Employee Benefits</b>		
Gratuity	7,779,463	3,894,320
Leave Salary	6,125,398	6,653,348
One Time Incentive	280,394	231,624
<b>Total</b>	<b>14,185,255</b>	<b>10,779,292</b>

26 CURRENT TAX LIABILITY (NET)	As at 31st March, 2020	As at 31st March, 2019
Provision for Income Tax ( Net of Advance Tax / TDS )	23,987,386	36,297,300
<b>Total</b>	<b>23,987,386</b>	<b>36,297,300</b>

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

(Amounts in Rupees unless stated otherwise)

27 REVENUE FROM OPERATIONS	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Sales of Products	3,715,008,465	3,203,090,983
Less:- Discounts / Rebates	753,562,722	549,925,567
<b>Total</b>	<b>2,961,445,743</b>	<b>2,653,165,416</b>

**27.1 Particulars of Sale of Products :**

Sr. No. Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>Manufactured Products</b>		
(a) Agricultural Mirconutrient and Speciality Fertilizers	2,545,143,269	2,121,288,102
(b) Insecticides and Pesticides	289,823,653	221,462,043
(c) Animal Feed and Feed Concentrates	23,746,963	89,509,156
(d) Others	4,304,940	3,873,718
	<b>2,863,018,825</b>	<b>2,436,133,019</b>
<b>Traded Products</b>		
(a) Agricultural Mirconutrient and Speciality Fertilizers	851,989,640	766,957,964
	<b>851,989,640</b>	<b>766,957,964</b>
Less:-Discounts / Rebates	753,562,722	549,925,567
	<b>2,961,445,743</b>	<b>2,653,165,416</b>

28 OTHER INCOME	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>Interest Income on :</b>		
Bank Fixed Deposits	1,444,529	2,600,409
Others	92,734	17,783,747
<b>Other Non-Operating Income</b>		
Misc. / Other Income	208,667	203,161
Net Gain / Loss on Foreign Currency Translation	70,682,220	12,570,507
<b>Total</b>	<b>72,428,150</b>	<b>33,157,824</b>

29 COST OF MATERIALS CONSUMED	Year Ended 31st March, 2020	Year Ended 31st March, 2019
1) Opening Stock of Raw Materials	323,267,126	298,879,493
Add : Purchases	697,533,594	516,973,508
	<b>1,020,800,720</b>	<b>815,853,001</b>
Less : Closing Stock of Raw Materials	361,919,685	323,267,126
Raw Material Consumed	<b>658,881,035</b>	<b>492,585,875</b>
2) Opening Stock of Packing Materials	87,891,900	98,854,266
Add : Purchases	159,979,531	144,790,280
	<b>247,871,431</b>	<b>243,644,546</b>
Less : Closing Stock of Packing Materials	79,501,128	87,891,900
Packing Materials Consumed	<b>168,370,303</b>	<b>155,752,646</b>
<b>Consumption of Materials (1+2)</b>	<b>827,251,338</b>	<b>648,338,521</b>

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

(Amounts in Rupees unless stated otherwise)

30 COST OF PRODUCTS TRADED	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Opening Stock of Traded Products	70,291,292	67,781,280
Add :- Purchases of Traded Products	474,133,453	512,143,943
	<b>544,424,745</b>	579,925,223
Closing Stock of Traded Products	78,260,528	70,291,292
Cost of Products Traded	<b>466,164,217</b>	509,633,931
31 (INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>Inventories at the beginning of the year</b>		
Finished Goods	816,417,856	805,963,475
	<b>816,417,856</b>	805,963,475
<b>Inventories at the end of the year</b>		
Finished Goods	860,625,531	816,417,856
	<b>860,625,531</b>	816,417,856
<b>(Increase) / Decrease in Inventories</b>	<b>(44,207,675)</b>	(10,454,381)
32 EMPLOYEE BENEFIT EXPENSES	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Salaries, Wages and Allowances	337,508,605	243,167,731
Directors Remuneration	19,398,000	18,953,000
Contribution to Provident & Other Funds	33,644,251	31,570,329
Staff Welfare Expenses	7,395,987	7,785,873
<b>Total</b>	<b>397,946,843</b>	301,476,933

32.1 As per Ind AS 19 “Employee Benefits”, the disclosure of employee benefits as defined in the Indian Accounting Standard (Ind AS) are given below :

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>Expense recognised for Defined Contribution Plan</b>		
Company's contribution to Provident Fund	25,820,810	24,166,721
	<b>25,820,810</b>	24,166,721

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

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

### Defined Benefit Plan

All Employees who have completed five years or more of service are entitled to benefits of Gratuity. The Company has the Employee's Group Gratuity scheme managed by Life Insurance Corporation of India which is a Defined Benefit Plan. The Employees Leave Encashment scheme, which is a Defined Benefit Plan is unfunded.

Below table sets forth the changes in the projected benefit obligation and plan assets and amounts recognised in the Standalone Balance Sheet as at 31st March, 2019 and 31st March, 2018, being the respective measurement dates :

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

(Amounts in Rupees unless stated otherwise)

**I Reconciliation of opening and closing balances of the Present Value of the Defined Benefit Obligation**

Particulars	Gratuity		Leave Encashment		OneTime Incentive	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Present Value of Defined Benefit obligation at the beginning of the year	72,010,616	64,799,140	26,484,347	12,668,686	961,915	939,407
Current Service Cost	6,550,597	5,821,178	3,902,346	9,855,579	55,860	54,486
Interest Cost	4,895,485	4,377,784	1,737,288	962,820	63,035	62,094
Actuarial (gain) / loss	5,656,367	3,548,754	2,703,863	6,710,022	78,532	15,928
Past Service Cost	-	-	-	-	-	-
Benefits paid	(10,318,841)	(6,536,240)	(5,551,547)	(3,712,760)	(169,000)	(110,000)
Present Value of Defined Benefit obligation at the end of the year	78,794,224	72,010,616	29,276,297	26,484,347	990,342	961,915

**II Reconciliation of opening and closing balances of the Fair Value of the Plan Assets**

Particulars	Gratuity	
	As at 31st March, 2020	As at 31st March, 2019
Fair Value of Plan Assets at the beginning of the year	68,116,296	64,645,800
Interest Income	4,849,368	4,587,335
Return on plan assets excluding amounts included in Interest Income	10,790	(375,698)
Contributions	3,894,320	5,795,099
Benefits paid	(10,318,841)	(6,536,240)
Actuarial gain / (loss)	-	-
Fair value of Plan Assets at the end of the year	66,551,933	68,116,296

**III Expenses recognised in Profit and Loss**

Particulars	Gratuity		Leave Encashment		OneTime Incentive	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Current Service Cost	6,550,597	5,821,178	3,902,346	9,855,579	55,860	54,486
Interest Cost	46,117	(209,551)	1,737,288	962,820	63,035	62,094
Net Cost recognised in Statement of Profit and Loss	6,596,714	5,611,627	5,639,634	10,818,399	118,895	116,580

**IV Expenses recognised in Other Comprehensive Income**

Components of actuarial gain / losses on obligations :	Gratuity		Leave Encashment		OneTime Incentive	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Components of actuarial gain / losses on obligations :						
Due to change in financial assumptions	4,372,671	841,036	1,441,334	282,389	32,228	6,911
Due to change in demographic assumptions	(56,982)	-	(8,475)	(255,620)	(1,077)	-
Due to experience adjustments	1,340,678	2,707,718	1,271,004	6,683,253	47,381	9,017
Return on Plan Assets excluding amounts included in Interest Income	(10,790)	375,698	-	-	-	-
Net Cost recognised in Other Comprehensive Income	5,645,577	3,924,452	2,703,863	6,710,022	78,532	15,928

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

(Amounts in Rupees unless stated otherwise)

### V Assumptions used to determine the Defined Benefit Obligations :

Particulars	Gratuity		Leave Encashment		One Time Incentive	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Mortality rate	<b>IALM 2006-08 Ultimate</b>	IALM 2006-08 Ultimate	<b>IALM 2006-08 Ultimate</b>	IALM 2006-08 Ultimate	<b>IALM 2006-08 Ultimate</b>	IALM 2006-08 Ultimate
Discount rate (per annum)	<b>6.80%</b>	7.45%	<b>6.80%</b>	7.45%	<b>6.80%</b>	7.45%
Expected rate of Return on Plan Assets (per annum)	<b>6.80%</b>	7.45%				
Expected rate of increase in Salary (per annum)	<b>5.00%</b>	5.00%	<b>5.00%</b>	5.00%	<b>NA</b>	NA
Expected Average remaining working lives of Employees (Years)	<b>23.62</b>	24.08	-	-	-	-

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 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.

### VI Sensitivity Analysis :

Particulars	Change in Assumption	Effect on Gratuity obligation	Change in Assumption	Effect on Leave Salary	Change in Assumption	Effect on One Time Incentive
<b>For the year ended 31st March, 2018</b>						
Discount Rate	+0.5%	69,284,463	+0.5%	25,567,606	+0.5%	939,353
	-0.5%	74,968,162	-0.5%	27,474,514	-0.5%	985,841
Salary Growth Rate	+0.5%	74,727,927	+0.5%	27,493,550	+0.5%	987,380
	-0.5%	69,401,617	-0.5%	25,542,714	-0.5%	937,774
Withdrawal Rate	+10.0%	72,387,478	+10.0%	26,549,155	-	-
	-10.0%	71,614,565	-10.0%	26,417,050	-	-
<b>For the year ended 31st March, 2019</b>						
Discount Rate	<b>+0.5%</b>	<b>75,388,867</b>	<b>+0.5%</b>	<b>28,154,705</b>	<b>+0.5%</b>	<b>965,319</b>
	<b>-0.5%</b>	<b>82,502,019</b>	<b>-0.5%</b>	<b>30,490,519</b>	<b>-0.5%</b>	<b>1,017,011</b>
Salary Growth Rate	<b>+0.5%</b>	<b>82,112,352</b>	<b>+0.5%</b>	<b>30,506,106</b>	<b>+0.5%</b>	<b>1,018,408</b>
	<b>-0.5%</b>	<b>75,602,895</b>	<b>-0.5%</b>	<b>28,131,000</b>	<b>-0.5%</b>	<b>963,873</b>
Withdrawal Rate	<b>+10.0%</b>	<b>79,132,896</b>	<b>+10.0%</b>	<b>29,320,405</b>	-	-
	<b>-10.0%</b>	<b>78,438,528</b>	<b>-10.0%</b>	<b>29,230,606</b>	-	-

Sensitivity analysis is performed by varying a single parameter while keeping all other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the Projected Unit Credit method has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

(Amounts in Rupees unless stated otherwise)

**VII History of Experience adjustments is as follows :**

Particulars	Gratuity	Leave Salary	One Time Incentive
<b>For the year ended 31st March, 2019</b>			
Plan Liabilities - (loss) / gain	(2,707,718)	(6,683,253)	(9,017)
Plan Assets - (loss) / gain	-	-	-
<b>For the year ended 31st March, 2020</b>			
Plan Liabilities - (loss) / gain	<b>(1,340,678)</b>	<b>(1,271,004)</b>	<b>(47,381)</b>
Plan Assets - (loss) / gain	-	-	-

**VIII Estimate of Expected Benefit payments**

Particulars	Gratuity		Leave Encashment		One Time Incentive	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
1st April, 2019 to 31st March, 2020	-	12,598,810	-	6,330,081	-	231,624
1st April, 2020 to 31st March, 2021	<b>11,145,474</b>	5,502,312	<b>5,942,737</b>	2,069,215	<b>280,394</b>	161,922
1st April, 2021 to 31st March, 2022	<b>10,462,716</b>	9,691,073	<b>2,595,986</b>	2,381,092	<b>131,533</b>	123,560
1st April, 2022 to 31st March, 2023	<b>5,845,822</b>	6,332,085	<b>2,203,677</b>	2,263,093	<b>170,592</b>	159,091
1st April, 2023 to 31st March, 2024	<b>6,301,670</b>	5,657,864	<b>2,500,121</b>	2,234,040	<b>51,074</b>	45,678
1st April, 2024 to 31st March, 2025	<b>5,093,405</b>	21,663,088	<b>1,782,400</b>	7,658,381	<b>58,663</b>	273,384
1st April, 2025 to 31st March, 2026 and Onwards	<b>22,517,799</b>	-	<b>8,799,824</b>	-	<b>249,339</b>	-

**IX Statement of Employee Benefit Provision**

Particulars	Gratuity		Leave Encashment		One Time Incentive	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Fair Value of Plan Assets	<b>(66,551,933)</b>	(68,116,296)	-	-	-	-
Present Value of Obligation	<b>78,794,224</b>	72,010,616	<b>29,276,297</b>	26,484,347	<b>990,342</b>	961,915
Amount recognised in Balance Sheet	<b>12,242,291</b>	3,894,320	<b>29,276,297</b>	26,484,347	<b>990,342</b>	961,915

**X Current and Non-Current provision for Gratuity, Leave Salary and One Time Incentive**

Particulars	Gratuity		Leave Encashment		One Time Incentive	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Current	<b>7,779,463</b>	3,894,320	<b>6,125,398</b>	6,653,348	<b>280,394</b>	231,624
Non-Current	<b>4,462,828</b>	-	<b>23,150,899</b>	19,830,999	<b>709,948</b>	730,291
<b>Total</b>	<b>12,242,291</b>	3,894,320	<b>29,276,297</b>	26,484,347	<b>990,342</b>	961,915

32.2 The above charts do not include the provisions made by Foreign Subsidiaries

33 FINANCE COSTS	Year Ended 31st March, 2020	Year Ended 31st March, 2019
	<b>Interest Expense</b>	
On Term Loans	<b>25,629,239</b>	32,139,907
On Bank Borrowings	<b>161,447,500</b>	144,902,034
On Security Deposits	<b>5,585,195</b>	5,972,502
Other Interest	<b>47,487,300</b>	84,926,759
Bank and Finance Charges	<b>15,189,142</b>	21,506,855
<b>Total</b>	<b>255,338,376</b>	289,448,057

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

(Amounts in Rupees unless stated otherwise)

5 DEPRECIATION & AMORTISATION	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Depreciation	52,936,192	23,728,523
Amortisation	708,014	423,569
<b>Total</b>	<b>53,644,206</b>	<b>24,152,092</b>
34 OTHER EXPENSES	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>Manufacturing Expenses</b>		
Consumption of Stores & Spare Parts	2,086,493	1,432,303
Freight Inward	25,090,007	18,821,420
Miscellaneous Expenses	7,668,503	6,784,882
Power & Fuel	19,848,342	24,081,773
Processing Charges	44,408,777	37,278,859
Rent, Rates & Taxes	2,191,581	14,900,716
Repairs to Building	750,109	642,972
Repairs to Machinery	4,480,842	3,412,686
Research & Development Expenses	17,640,382	15,493,407
Security Charges	1,094,542	959,981
Wages & Allowances	69,489,862	62,196,461
	<b>194,749,440</b>	<b>186,005,460</b>
<b>Selling &amp; Distribution Expenses</b>		
Advertisement and Publicity Expenses	208,289,753	132,415,368
Freight & Delivery Expenses	193,647,658	159,626,763
Selling Expenses	12,579,935	8,068,814
Travelling Expenses	118,090,279	111,473,564
	<b>532,607,625</b>	<b>411,584,509</b>
<b>Other Administration Expenses</b>		
Audit Fees	2,237,487	2,323,468
Bank Charges	57,562	30,489
Conveyance & Motor Car Expenses	45,083,218	43,787,463
Corporate Social Responsibility (CSR) Expenses	4,224,404	3,404,522
Electricity	1,279,778	1,291,699
General Expenses	9,389,697	5,501,960
Insurance	24,021,226	25,767,028
Legal & Professional Fees	26,778,400	22,492,735
Loss on Sale of Asset	24,958,535	1,747,717
Postage & Telephones	4,422,594	5,149,216
Printing & Stationery	5,158,778	6,251,322
Rent, Rates & Taxes	39,084,245	50,255,846
Repairs & Maintenance	2,498,309	2,723,649
	<b>189,194,233</b>	<b>170,727,114</b>
<b>Total</b>	<b>916,551,298</b>	<b>768,317,083</b>

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

(Amounts in Rupees unless stated otherwise)

**34.1 Other Disclosures**
**a) Auditors Remuneration**

Sr. No.	Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>1</b>	<b>Statutory Auditors</b>		
(i)	Audit Fees	<b>2,237,487</b>	2,323,468
(ii)	Limited Review Report Fees	<b>75,000</b>	75,000
(iii)	Certification and Consultancy Fees	<b>150,000</b>	150,000
	<b>Total</b>	<b>2,462,487</b>	2,548,468

**b) Expenditure incurred on Corporate Social Responsibility**

Details of expenditure on Corporate Social Responsibility Activities as per Section 135 of the Companies Act, 2013 read with Schedule III are as below :

Sr. No.	Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
(i)	Farmers Call Centre	<b>877,423</b>	520,898
(ii)	Education including Farmers	<b>750,759</b>	1,828,531
(iii)	Health Care	<b>1,687,464</b>	430,896
(iv)	Infrastructure Support	<b>908,758</b>	624,197
		<b>4,224,404</b>	3,404,522

**35 EARNINGS PER SHARE (EPS)**

The following is a reconciliation of the Equity Shares used in the computation of basic and diluted earnings per Equity Share :

Sr. No.	Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
(i)	Issued Equity Shares	<b>13,004,339</b>	13,004,339
	<b>Weighted Average Shares outstanding - Basic and Diluted</b>	<b>13,004,339</b>	13,004,339

Net Profit available to Equity Shareholders of the Company used in the basic and diluted earnings per share was determined as follows

Sr. No.	Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
(i)	Profit and Loss after Tax attributable to Equity Shareholders	<b>97,424,470</b>	98,824,646
(ii)	Basic Earning per Equity Share	<b>7.49</b>	7.60
(iii)	Face Value per Equity Share	<b>10</b>	10

**36.1 LEASE COMMITMENTS ( Company is a Lessee )**

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Company.

The Effect of Adoption of IND AS 116 as at April 01, 2019 (Increase /(Decrease)) is as follows:

Particulars	Year Ended 31st March, 2020
<b>Assets</b>	
Right of use assets	<b>90,440,312</b>
<b>Increase in Total Assets</b>	<b>90,440,312</b>
<b>Liabilities</b>	
Financial Liabilities - Lease Liabilities (Current + Non-Current)	<b>90,440,312</b>
<b>Increase in Total Liabilities</b>	<b>90,440,312</b>



## Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

(Amounts in Rupees unless stated otherwise)

Following is the movement in lease liabilities during the year :

Particulars	Year Ended 31st March, 2020
As at April 01, 2019	-
Addition on account of Adoption of IND AS 116	90,440,312
Addition during the year	-
Interest Expenses	9,044,031
Payments	22,255,767
As at March 31, 2020	77,228,576

Following are the amounts recognised in statement of profit or loss :

Particulars	Year Ended 31st March, 2020
Depreciation expense of right-of-use assets	26,653,252
Interest Expense on lease liabilities	9,044,031
Rent Expense - short-term leases and leases of low value assets	21,492,207
<b>Total amounts recognised in profit or loss</b>	<b>57,189,490</b>

### 37. RELATED PARTY DISCLOSURES

Related Party Disclosures as per Ind AS 24 issued by the Institute of Chartered Accountants of India

Part - A Details of Related Parties			
Sr. No.	Nature of Relationship	Name of the Related Party	Remarks
1	Key Management Personnel	a) Dr. Rahul Mirchandani b) Mr. S. Ramamurthy - upto 05-11-2019 c) Mr. Vivek Joshi - w.e.f. 09-12-2019 d) Mr. Qaiser P. Ansari	a) Chairman & Managing Director b) President & Chief Financial Officer c) Chief Financial Officer d) Company Secretary & Sr. VP (Legal)
2	Enterprises over which the Key Management Persons has significant Influence of Control	a) Aries Marketing Ltd. b) Blossoms International Ltd. c) Sreeni Agro Chemicals Ltd. d) Aries East West Nutrients Pvt. Ltd.	
3	Relatives of Key Management Personnel	<b>Name of the Key Management Personnel</b> a) Dr. Rahul Mirchandani  b) Mrs. Nitya Mirchandani	<b>Name of the Relative</b> a) Mrs. Nitya Mirchandani b) Master Armaan Mirchandani c) Dr. Jimmy Mirchandani d) Mr. Akshay Mirchandani e) Mr. Amol Mirchandani  <b>Relationship</b> Spouse Son Brother Nephew Nephew  Spouse Son
4	Associates	a) Amarak Chemicals FZC	Date of Incorporation 9th September, 2007

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

(Amounts in Rupees unless stated otherwise)

Part - B				
Disclosure of Transactions between the Company and Related Parties				
Sr. No.	Category	Nature of Service	Year Ended 31st March, 2020	Year Ended 31st March, 2019
1	Key Management Personnel	Directors Remuneration paid	17,658,000	17,658,000
		Loan repaid	-	30,000,000
		Loan taken	-	30,000,000
		Salary Paid	11,750,140	8,495,083
2	Relatives of Key Management Personnel	Legal & Professional Fees (Gross)	8,425,168	8,236,613
		Rent	300,000	175,000
		Sitting Fees	440,000	407,500
		Salary Paid	3,013,694	2,944,663

Part - C				
Balance Outstanding with Related Parties				
Category	Nature of Outstanding	Name of the Related Party	As at 31st March, 2020	As at 31st March, 2019
Key Management Personnel	Dues to Directors	Dr. Rahul Mirchandani	2,626,078	1,364,885
	Salary	Mr. Vivek Joshi	359,687	-
		Mr. Qaiser P. Ansari	124,736	116,428
Relatives of Key Management Personnel	Dues to Directors (including Professional Fees)	Dr. Jimmy Mirchandani	4,153,696	2,842,992
	Salary	Mr. Akshay Mirchandani	68,515	75,139
		Mr. Amol Mirchandani	48,789	71,700
	Rent	Mr. Akshay Mirchandani	22,500	25,000
Associates	Sundry Debtors	Amarak Chemicals FZC	12,507,647	11,455,715

**38. Gratuity**
UAE Operations

The Liability for Employees is fully provided for in the accounts.

**39. Contingent Liability not provided for in the accounts:**

- a) Letters of credit / guarantees given / Bills discounting Rs.1,932.31 Lakhs.
- b) Claims against company not acknowledged as debts Rs. 4,932.57 Lakhs which includes tax dues disputed as Rs. 49.88 Lakhs towards sales Tax, Rs. 243.73 Lakhs towards Income Tax, Rs. 4,631.99 Lakhs towards central excise & customs and Rs. 6.97 Lakhs pertaining to pending suits regarding quality issue.
- c)
  - 1) The Commissioner of CGST & Central Excise, Navi Mumbai, had passed an order confirming demand of Rs. 4.79 Crores on account of Central Excise duty, on the said amount of Rs. 4.79 Crores on the classification of sixteen micronutrient fertilizers products relating to the Mumbai Factory against which the Company filed an appeal before the Central Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai and the same is pending before CESTAT Mumbai
  - 2)
    - (a). The Commissioner of Central Excise, Ahmedabad – II, had passed an order confirming demand of Rs. 3.81 Crores on account of Central Excise duty, interest on the said amount and penalty of like amount i.e. Rs.3.81 Crores on the classification of micronutrient fertilizers relating to the Sanand facility against which the Company has filed an appeal before the Central Excise and Service Tax Appellate Tribunal (CESTAT), Ahmedabad and the same is pending before CESTAT, Ahmedabad..
    - (b). The Commissioner of Central GST & Central Excise, Ahmedabad, had passed an order confirming demand of Rs. 13.84 Crores on account of Central Excise duty, penalty on the said amount of Rs. 13.84 Crores on the classification nine micronutrient fertilizers products relating to the Chhatral factory against which the Company has preferred an appeal before the Central Excise and Service Tax Appellate Tribunal (CESTAT), Ahmedabad.

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2020

(Amounts in Rupees unless stated otherwise)

The Central Board of Excise and Customs vide their Circular No. 1022/10/2016/CX dated 06/04/2016 have clarified that Micronutrients are not classifiable as Plant Growth Regulators and hence are not classifiable under Chapter Heading No. 38.08 of the Central Excise Act.

In view of legal pronouncement and the above referred Circular, the Show Cause-Cum-Demand Notices are liable to be dropped.

- 3 (a). The Company has been classifying Sulphur Bentonite under Chapter Heading No. 25030090 as other forms of Sulphur. However, the Customs authorities classified Sulphur Bentonite imported under Chapter Heading No. 25030010 "as recovered byproduct in refining of crude oil". The Additional Commissioner of Customs, Nhava Sheva confirmed the classification under Chapter Heading No. 25030010 and demanded an amount of Rs. 29.91 Lakhs, in addition penalty of like amount i.e. Rs. 29.91 Lakhs along with fine and penalty of Rs. 7.00 Lakhs each on the Chairman & Managing Director and Purchase Manager of the Company.

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

- (b). The Company has been classifying Zn-EDTA & Fe-EDTA under Chapter Heading No. 31059090 as other Fertiliser for Mumbai Factory. However, the Customs authorities classified imported under Chapter Heading No. 29224990 "as Organic Chemical. The Commissioner of Customs, Nhava Sheva confirmed the classification under Chapter Heading No. 29224990 and pass order and demanded an amount of Rs. 81.84 Lakhs, on account of Custom Duty with Interest against which the Company has preferred an appeal before the Customs, Excise & Service Tax Appellate Tribunal Mumbai.

### 40. **Segmental Reporting as per Ind AS - 108**

The Company has only One business Segment "Agri Inputs" as its primary segment and hence disclosure of segment-wise information is not required under Ind AS 108 'Operating Segments' notified pursuant to the Companies (Indian Accounting Standard) Rules, 2016 (as amended).

41. In F Y 2019-20 M/s Amarak Chemicals FZC was Step Down Subsidiary of Aries Agro Limited. In previous year's figures M/s Amarak Chemicals FZC are included, however in current year M/s Amarak Chemicals FZC has become Associate Company and the result of M/s Amarak Chemicals FZC has been included only by way of Equity Method since it ceased to be a Subsidiary. Hence, the previous years figures are not strictly comparable with that of current year's figures.
42. The Company's management has made initial assessment of likely impact from the pandemic COVID-19 on business and financial risks based on internal and external sources of information including economic forecasts, measures being under taken by Government. The management believes while the COVID-19 may adversely impact on the business in the very short-term, it does not anticipate material medium to Long-Term risks to the business prospects owing to nature of business. The Company has also considered the possible effects of COVID-19 on the carrying amounts of property plant and equipment, intangible assets, receivables and debt covenants using reasonably available information, estimates and judgement and has determined that none of these balances require a material adjustment to their carrying values.
43. In F.Y. 2019-20, M/s. Golden Harvest Middle East FZC has reduced its stake from 75% to 49%. As a result of this, M/s. Amarak Chemicals FZC is now no more a step down subsidiary of M/s. Aries Agro Ltd. Divestment of 26% stake in Step Down Subsidiary M/s Amarak Chemicals FZC was made strategically to mobilize resources to re-start operations at Fujairah facilities. This strategic decision has helped realize old receivables and sourcing of raw material.

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

(Amounts in Rupees unless stated otherwise)

**44. Events Occurring after Balance Sheet**
**a) Dividend proposed to be distributed**

(Amount in Rupees unless stated otherwise)

Particulars	Year Ended 31 <sup>st</sup> March, 20	Year Ended 31 <sup>st</sup> March, 2019
Dividend proposed for Equity Shareholders	-	2,34,07,810
<b>Total</b>	<b>-</b>	<b>2,34,07,810</b>

45. The Company has acquired a vehicle in the name of the Director which is yet to be transferred in the name of the Company. The Company has all the ownership rights and Depreciation thereon has been charged at the rates prescribed in the Schedule II to the Companies Act, 2013.
46. In F.Y. 2019-20, M/s. Golden Harvest Middle East FZC has reduced its stake from 75% to 49% in M/s Amarak Chemicals FZC. As a result of this, M/s. Amarak Chemicals FZC is now no more a step down subsidiary of M/s. Aries Agro Ltd. Due to this in current year the results of M/s. Amarak Chemicals FZC is included by way of equity method as it ceased to be subsidiary, however in last year's figures it was consolidated with M/s. Golden Harvest Middle East FZC. Hence the previous year's figures are not comparable with that of the current year.
47. Previous Years figures have been regrouped, restated and rearranged wherever necessary so as to make them comparable with the current year.

**As per our report of even date**

**For Sandeep Sheth & Associates**  
Chartered Accountants  
Firm Registration No. 120685W

**Sandeep Sheth**  
Proprietor  
Membership No 101903  
UDIN 20101903AAAABR6871

**Place :** Mumbai  
**Date :** 26th June, 2020

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

**Dr. Rahul Mirchandani**  
Chairman & Managing Director  
DIN 00239057

**Dr. Jimmy Mirchandani**  
Director  
DIN 00239021

**Mrs. Nitya Mirchandani**  
Director  
DIN 06882384

**Prof. R. S. S. Mani**  
Director  
DIN 00527270

**Mr. C. B. Chhaya**  
Director  
DIN 00968966

**Mr. B.V. Dholakia**  
Director  
DIN 01871816

**Mr. Vivek Joshi**  
Chief Financial Officer  
Membership No. ACA-101683

**Mr. Qaiser P. Ansari**  
Company Secretary &  
Senior VP (Legal)  
Membership No. ACS-8979

## INDEPENDENT AUDITOR'S REPORT

**The Shareholders'**  
**Golden Harvest Middle East FZC**  
**Sharjah Airport International Free Zone**  
**Sharjah – United Arab Emirates**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **Golden Harvest Middle East FZC, Sharjah Airport International Free Zone, Sharjah, United Arab Emirates** (the Company), which comprise the statement of financial position as at 31 March 2020, the statement of profit or loss and other comprehensive income, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board For Accountants Code of Ethics for Professional Accountants (IESBA code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS). The management is also responsible for such internal controls as it determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

#### Auditors' responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence

the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Prasad Associates**  
**Chartered Accountants**

Date: 15 June 2020

Place: Sharjah

## STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2020

	Notes	2020 AED	2019 AED
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	5	-	-
Investment in associates	6	1,470,000	2,250,000
		1,470,000	2,250,000
<b>Current assets</b>			
Trade receivables	7	7,140,301	7,896,991
Deposits, advances and prepayments	8	787,381	772,135
Amount due from related parties	9	38,106,579	36,209,098
Advance towards share application money	10	27,849,627	27,849,627
Bank balances	11	36,079	66,566
Total current assets		73,919,967	72,794,417
<b>TOTAL ASSETS</b>		<b>75,389,967</b>	<b>75,044,417</b>
<b>SHAREHOLDERS' FUNDS AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	12	150,000	150,000
Shareholders' current accounts	13	19,211,904	19,211,904
Retained earnings		7,584,064	11,102,375
Reserve fund	14	75,000	75,000
Total shareholders' funds		27,020,968	30,539,279
<b>Non current liabilities</b>			
Provision for employees' terminal benefits	15	35,888	32,779
Total non - current liabilities		35,888	32,779
<b>Current liabilities</b>			
Trade payables and accruals	16	30,096	59,432
Amount due to related parties	9	48,303,015	44,412,927
Total current liabilities		48,333,111	44,472,359
Total liabilities		48,368,999	44,505,138
<b>TOTAL SHAREHOLDERS' FUNDS AND LIABILITIES</b>		<b>75,389,967</b>	<b>75,044,417</b>

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making judgements underlying them.

For Golden Harvest Middle East FZC

Place: Sharjah  
Date : 15 June 2020

Director

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2020 AED	2019 AED
<b>INCOME</b>			
Other income		-	400
<b>Total income</b>		-	<b>400</b>
<b>EXPENSES</b>			
Administration, selling and general expenses	17	239,794	194,642
Finance charges	18	2,503,717	2,585,485
Loss on sale of investment		774,800	-
<b>Total expenses</b>		<b>3,518,311</b>	<b>2,780,127</b>
<b>Net (loss) for the year</b>		<b>(3,518,311)</b>	<b>(2,779,727)</b>

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making judgements underlying them.

For Golden Harvest Middle East FZC

Place: Sharjah  
Date : 15 June 2020

Director

## STATEMENT OF CHANGES IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 31 MARCH 2020

Year to 31 March 2020	Share capital AED	Shareholders' current accounts AED	Retained earnings AED	Reserve fund AED	Total AED
<b>Balance at 1 April 2019</b>	150,000	19,211,904	11,102,375	75,000	30,539,279
Net (loss) for the year	-	-	(3,518,311)	-	(3,518,311)
<b>Balance at 31 March 2020</b>	<b>150,000</b>	<b>19,211,904</b>	<b>7,584,064</b>	<b>75,000</b>	<b>27,020,968</b>
Year to 31 March 2019	Share capital AED	Shareholders' current accounts AED	Retained earnings AED	Reserve fund AED	Total AED
<b>Restated shareholders' funds at 1 April 2018</b>	150,000	19,211,904	13,882,102	75,000	33,319,006
Net (loss) for the year	-	-	(2,779,727)	-	(2,779,727)
<b>Balance at 31 March 2019</b>	<b>150,000</b>	<b>19,211,904</b>	<b>11,102,375</b>	<b>75,000</b>	<b>30,539,279</b>



## NOTES to the Financial Statements for the year ended 31<sup>st</sup> March 2020

### 1. LEGAL STATUS AND ACTIVITY

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

The Company was incorporated on 31 October 2004 and operating under Commercial License No. 17353 issued on 18 August 2017 by SAIF Zone Authorities.

**Activity:** The principal activity of the Company is general trading. The principal place of the business of the Company is located at Saif Suite NE4-39, P.O.Box 9267 Sharjah, United Arab Emirates.

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

**Management:** The Company is managed by Mr. Akshay Mirchandani, Indian national.

**Accounting period:** These financial statements relate to the period from 1 April 2019 till 31 March 2020.

### 2. APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS AND INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

#### 2.1 New and amended standards effective from 1 January 2019

Summary of standards and amendments that are effective for the first time for their annual reporting period commencing on or after 1 January 2019:

- IFRS 16 *Leases*

IFRS 16 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

- *Prepayment Features with Negative Compensation – Amendments to IFRS 9*

The narrow-scope amendments made to IFRS 9 Financial Instruments in October 2017 enable entities to measure certain prepayable financial assets with negative compensation at amortized cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit or loss.

- *Long-term Interests in Associates and Joint Ventures – Amendments to IAS 28*

The amendments clarify the accounting for long-term interests in an associate or joint venture which in substance form part of

the net investment in the associate or joint venture, but to which equity accounting is not applied.

### 2. APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS AND INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (Continued)

#### 2.1 New and amended standards effective from 1 January 2019 (Continued)

- *Annual Improvements to IFRS Standards 2015 – 2017 Cycle*
- IFRS 3 Business Combinations
- IFRS 11 Joint Arrangements
- IAS 12 Disclosure of Interests in Other Entities
- IAS 23 Borrowing Costs
- *Plan Amendment, Curtailment or Settlement – Amendments to IAS 19*

The amendments to IAS 19 Employee Benefits clarify the accounting for defined benefit plan amendments, curtailments and settlements.

- *Interpretation 23 Uncertainty over Income Tax Treatments.*

The interpretation explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment.

#### 2.2 New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for annual reporting period ending on 31 December 2019 and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

- *IFRS 17 Insurance Contracts – effective for annual periods beginning on or after January 01, 2021*

IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured in each reporting period.

- *Definition of Material – Amendments to IAS 1 and IAS 8 – effective from 1 January 2020*

The IASB has made amendments to IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* which use a consistent definition of materiality throughout International Financial Reporting Standards and the *Conceptual Framework for Financial Reporting*, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information.

- *Definition of a Business - Amendments to IFRS 3 – effective from 1 January 2020*

The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs.

## NOTES to the Financial Statements for the year ended 31<sup>st</sup> March 2020

### 2. APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS AND INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (Continued)

#### 2.2 New standards and interpretations not yet adopted (Continued)

- Revised Conceptual Framework for Financial Reporting - effective from 1 January 2020

The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect.

- Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Compliance with IFRS

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

#### 3.2 Basis of preparation

The financial statements have been prepared on a historical cost basis, except for the following:

- available-for-sale financial assets, financial assets and liabilities (including derivative instruments) certain classes of property and equipment and investment property – measured at fair value;
- assets held for sale – measured at fair value less cost of disposal, and
- defined benefit pension plans – plan assets measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for assets or goods or services.

The principal significant accounting policies applied in these financial statements are set out below:

#### 3.3 Property and equipment

Property and equipment is stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprise of purchase price, together with any incidental expense of acquisition or construction.

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Major costs incurred in restoring property and equipment to their normal working condition are charged to the statement of comprehensive income during the financial period in which they are incurred.

#### 3.4 Depreciation

The cost of property 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:

Motor vehicle 4 years

The gain or loss on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of comprehensive income.

#### 3.5 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.

#### 3.6 Investments and other financial assets

##### Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

##### Recognition and de-recognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are de-recognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

##### Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

## NOTES to the Financial Statements for the year ended 31<sup>st</sup> March 2020

### Debt Instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- (i) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.
- (ii) FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI.
- (iii) FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL

### Equity Instruments:

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the de-recognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Company's right to receive payments is established.

### Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

### Trade receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

### Classification of financial assets as available-for-sale

Investments were designated as available-for-sale financial assets if they did not have fixed maturities and fixed or determinable payments, and management intended to hold them for the medium to long-term. Financial assets that were

not classified into any of the other categories (at FVPL, loans and receivables or held-to-maturity investments) were also included in the available-for sale category.

The financial assets were presented as non-current assets unless they matured, or management intended to dispose of them within 12 months of the end of the reporting period.

### Impairment indicators for available-for-sale financial assets

A security was considered to be impaired if there had been a significant or prolonged decline in the fair value below its cost.

### 3.7 Financial Liabilities

Liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss or other liabilities, as appropriate.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

All loans and borrowings are classified as other liabilities. Initial recognition is at fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method.

Financial liabilities included in trade and other payables are recognized initially at fair value and subsequently at amortized cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

### 3.8 Prepayments

Prepayments are carried at cost less any accumulated impairment losses.

### 3.9 Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets.

### 3.10 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.

## NOTES to the Financial Statements for the year ended 31<sup>st</sup> March 2020

### 3.11 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables 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.

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

### 3.12 Interest income and expense

Interest income and expense are recognized within 'finance income' and 'finance costs' in profit or loss using the effective interest rate method, except for borrowing costs relating to qualifying assets, which are capitalized as part of the cost of that asset. The Company has chosen to capitalize borrowing costs on all qualifying assets irrespective of whether they are measured at fair value or not.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, pre-payment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

### 3.13 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.

### 3.14 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.

### 3.15 Foreign currencies

#### *Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency in which the majority of its transactions are denominated ("the functional 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 statement of income.

### 3.16 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.

## 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.

## NOTES to the Financial Statements for the year ended 31<sup>st</sup> March 2020

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 amount due from related parties

An estimate of the collectible amount of trade receivables and amount due from related parties are made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and an allowance applied according to the length of time past due, based on historical recovery rates. Any difference between the amounts actually collected in future periods and the amounts expected to be collected will be recognized in the statement of income.

### Impairment of property and equipment

A decline in the value of property and equipment could have a significant effect on the amounts recognized in the financial statements. Management assesses the impairment of property and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Factors that are considered important which could trigger an impairment review include the following:

- significant changes in the technology and regulatory environments
- evidence from internal reporting which indicates that the economic performance of the asset is, or will be, worse than expected.

### Useful life of property and equipment

The Company's management determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

## 5. PROPERTY AND EQUIPMENT

	Motor vehicles AED	Total AED
<b>Cost:</b>		
at 1 April 2019	33,500	33,500
deletions during the year	(33,500)	(33,500)
at 31 March 2020	-	-
<b>Depreciation:</b>		
at 1 April 2019	33,500	33,500
on deletions	(33,500)	(33,500)
at 31 March 2020	-	-
<b>Net book values:</b>		
at 31 March 2020	-	-
at 31 March 2019	-	-

## 6. INVESTMENTS IN ASSOCIATES

During the year, certain portion of investment in M/s. Amarak Chemicals FZC has been sold and the percentage of holding has been reduced to 49%.

The movements in investment of associates are as follows:-

	2020 AED	2019 AED
Opening balance	2,250,000	2,250,000
Less: Sale of investments	(780,000)	-
Closing balance	<u>1,470,000</u>	<u>2,250,000</u>
(9,800 shares of AED 150/- share - Percentage of holding - 49%)		
(2019 - 15,000 shares of AED 150/- share - Percentage of holding - 75%)		

## 7. TRADE RECEIVABLES

	2020 AED	2019 AED
Trade receivables	7,140,301	7,896,991
	<u>7,140,301</u>	<u>7,896,991</u>

(i) In the opinion of the management, the receivables are considered good and fully recoverable.

(ii) The aging analysis of the trade receivables are as follows:

	2020 AED	2019 AED
Due for less than 6 months	-	-
Due for more than 6 months	7,140,301	7,896,991
	<u>7,140,301</u>	<u>7,896,991</u>

## 8. DEPOSITS, ADVANCES AND PREPAYMENTS

	2020 AED	2019 AED
Prepaid expenses	22,830	14,072
Deposits	7,825	7,825
Loans and advances	755,000	750,000
Other receivables	1,726	238
	<u>787,381</u>	<u>772,135</u>

## 9. 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 amount outstanding from related parties are unsecured, which 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, amount due from/to related parties were as follows:-

NOTES to the Financial Statements for the year ended 31<sup>st</sup> March 2020

<u>Amount due from related parties</u>	2020 AED	2019 AED
Amarak Chemicals FZC, Fujairah	36,903,884	35,006,403
Aries Agro Limited, Mumbai	1,202,695	1,202,695
	<u>38,106,579</u>	<u>36,209,098</u>

<u>Amount due to related parties</u>	2020 AED	2019 AED
Aries Agro Limited	48,303,015	44,412,927
	<u>48,303,015</u>	<u>44,412,927</u>

**10. ADVANCE TOWARDS SHARE APPLICATION MONEY**

This represents amount paid to the associate Company, Amarak Chemicals FZC, Fujairah Free Zone towards advance for allotment of shares. The process of allotment of shares has not yet completed and the management is expecting to complete the formalities of share allotment by the end of December 2020.

**11. BANK BALANCES**

	2020 AED	2019 AED
Current account with banks	36,079	66,566
	<u>36,079</u>	<u>66,566</u>

**12. SHARE CAPITAL**

	2020 AED	2019 AED
Authorised, issued and paid-up capital (1,500 shares of AED 100 each)	150,000	150,000
	<u>150,000</u>	<u>150,000</u>

**13. SHAREHOLDERS' CURRENT ACCOUNTS**

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

**14. 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.

**15. 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.

**16. TRADE PAYABLES AND ACCRUALS**

	2020 AED	2019 AED
Accrued expenses	8,943	10,967
Other payables	21,153	48,465
	<u>30,096</u>	<u>59,432</u>

**17. ADMINISTRATION, SELLING AND GENERAL EXPENSES**

	2020 AED	2019 AED
Salaries and other benefits	81,093	76,697
Rent expenses	31,620	43,900
Legal and professional charges	27,054	38,749
Communication expenses	15,205	16,659
Other expenses	69,429	9,502
Repairs and maintenance	12,365	5,260
Traveling and conveyance expenses	1,734	2,715
Insurance charges	1,294	1,160
	<u>239,794</u>	<u>194,642</u>

**18. FINANCE CHARGES**

	2020 AED	2019 AED
Bank charges	3,154	6,287
Interest charges	2,497,263	2,579,198
Loss on currency exchange differences	3,300	-
	<u>2,503,717</u>	<u>2,585,485</u>

**19. FINANCIAL INSTRUMENTS****(i) Significant accounting policies**

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset and financial liability are disclosed in note 3 to the financial statements.

**(ii) Fair value**

The following table analyses the fair value of financial assets and financial liabilities that are not measured at fair value on recurring basis.

	2020 AED	2019 AED	2020 AED	2019 AED
	Carrying amount		Fair value	
<b>Financial assets</b>				
Investments	1,470,000	2,250,000	1,470,000	2,250,000
Trade receivables	7,140,301	7,896,991	7,140,301	7,896,991
Deposits and advances	764,551	758,063	764,551	758,063
Amount due from related parties	38,106,579	36,209,098	38,106,579	36,209,098
Cash and bank balances	36,079	66,566	36,079	66,566
	<u>47,517,510</u>	<u>47,180,718</u>	<u>47,517,510</u>	<u>47,180,718</u>
<b>Financial liabilities</b>				
Trade payables and accruals	30,096	59,432	30,096	59,432
Amount due to related parties	48,303,015	44,412,927	48,303,015	44,412,927
	<u>48,333,111</u>	<u>44,472,359</u>	<u>48,333,111</u>	<u>44,472,359</u>

## NOTES to the Financial Statements for the year ended 31<sup>st</sup> March 2020

The financial instruments comprise of financial assets and financial liabilities.

The fair value of the financial assets and financial liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties.

Financial assets of the Company include bank balances, trade receivables, deposits, advances and amount due from related parties. Financial liabilities include amount due to related parties, trade payables and accruals.

The management believes that the fair values of the financial assets and liabilities approximate to their carrying amounts.

### 20. FINANCIAL RISK MANAGEMENT

#### Financial risk factors

The risk management function within the Company is carried out in respect of financial risks. Financial risks are risks arising from financial instruments to which the Company is exposed during or at the end of the reporting period. Financial risk comprises market risk (including currency risk, interest rate risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

The identified key risks are as follows:

#### (i) Market risk

The Company is exposed to market risk, which is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of expenses in market price.

#### (ii) Currency risk

The Company undertakes certain transactions denominated in foreign currencies and hence exposure to exchange rate fluctuations arises.

The majority of the Company's financial assets and financial liabilities are either denominated in local currency (AED) or currencies fixed to the AED. Hence the management believes that there would not be a material impact on the profitability if these foreign currencies weakens or strengthens against the AED with all other variables held constant.

#### (iii) Interest rate risk

The Company's exposure to interest rate risk relates primarily to the Company's borrowings with floating interest rates. The interest rates on bank borrowings are at commercial rates negotiated with banks and are largely subject to regular revision.

#### (iv) Liquidity risk

The Company manages its liquidity risk by ensuring it has sufficient liquid cash balances to meet its payment obligations as they fall due.

The table below summarizes the maturity profile of the Company's financial instruments. The contractual maturities of the financial instruments have been determined on the basis of the remaining period at the end of the reporting period to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained.

	2020			2019		
	Less than 365 days AED	More than 365 days AED	Total AED	Less than 365 days AED	More than 365 days AED	Total AED
<b>Financial assets</b>						
Non - interest bearing	40,377,209	7,140,301	47,517,510	39,283,489	7,896,991	47,180,480
Interest bearing	-	-	-	-	-	-
	<u>40,377,209</u>	<u>7,140,301</u>	<u>47,517,510</u>	<u>39,283,489</u>	<u>7,896,991</u>	<u>47,180,480</u>
<b>Financial liabilities</b>						
Non - interest bearing	30,096	-	30,096	59,432	-	59,432
Interest bearing	48,303,015	-	48,303,015	44,412,927	-	44,412,927
	<u>48,333,111</u>	<u>-</u>	<u>48,333,111</u>	<u>44,472,359</u>	<u>-</u>	<u>44,472,359</u>

#### (v) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's credit exposure is continuously monitored and regularly reviewed by the management.

The Company is potentially exposed to concentration of credit risk from its financial assets which comprise principally bank balances, accounts and other receivables and amount due from related parties.

The credit risk on liquid funds is limited because the Company's bank accounts are placed with high credit quality financial institutions.

The credit risk on trade receivables and related parties is subject to credit evaluations and an allowance has been made for doubtful debts. The amounts presented in the statement of financial position are net of allowances for doubtful debts.

### 21. 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.

### 22. CONTINGENT LIABILITIES

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability on Company's financial statements as of reporting date.

### 23. COMPARATIVE FIGURES

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

However such reclassification does not have impact on the previously reported loss or equity.

### 24. LEVEL OF PRECISION

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

### 25. SUBSEQUENT EVENTS

There have been no events subsequent to the statement of financial position date that would significantly affect the amounts reported in the financial statements as at and for the year ended 31 March 2020.

### 26. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the shareholders and authorized for issue on 15 June 2020.

### For Golden Harvest Middle East FZC

Director

**NOTICE OF 14<sup>H</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the Fourteenth Annual General Meeting of the Members of **ARIES AGRO CARE PRIVATE LIMITED** will be held on Friday, 25<sup>th</sup> September, 2020 at 10.00 AM at the Registered office of the Company at Aries House, Plot No. 24, Deonar, Govandi (East), Mumbai -400 043 to transact the following Ordinary Business:-

1. To receive, consider, approve and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2020, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint Director in place of Dr. Jimmy Mirchandani(DIN 00239021) who retires by rotation and being eligible offers himself for re-appointment.

**By Order of the Board  
For Aries Agro Care Private Limited**

**Dr. Rahul Mirchandani  
Director  
DIN: 00239057**

**Place: Mumbai  
Date: 18<sup>th</sup> June, 2020**

**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.



**BOARD'S REPORT**

To,  
The Members of  
Aries Agro Care Private Limited.

Your Directors present their Fourteenth Annual Report together with Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2020.

**1. FINANCIAL RESULTS :**

During the year under review the Company did not do any business and did not have any Income. But the Company has incurred a loss of Rs. 2,62,363/- as compared to the Loss of Rs. 2,42,229/- in the Previous Year.

**2. CURRENT STATUS**

In view of the extremely volatile nature of the seeds business, the business of the Company stood suspended during the year.

**3. DIVIDEND AND TRANSFER TO RESERVE :**

Since the Company has incurred losses the question of Dividend and Transfer to Reserve does not arise.

**4. DEPOSITS :**

The Company has not accepted any Deposits from the Public.

**5. PARTICULARS OF EMPLOYEES & RELATED DISCLOSURES**

The Company did not have any Managing Directors or Executive/Whole Time Directors or any Employees who were in receipt of remuneration in excess of the provisions under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014,

**6. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186**

The Company has not given any Loans or given Guarantees or made Investments in terms of provisions of Section 186 of the Companies Act, 2013

**7. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

As there was no business activity in the Company during the Financial Year 2019-2020, there were no Contracts or Arrangements with Related Parties except the advance given by the group company to meet with the operational expenses.

**8. RISK MANAGEMENT POLICY AND ITS IMPLEMENTATION**

Since there is no business activity in the Company and there is no risk which may affect the Company and as the Company is an Un-listed Company no Risk Management Policy has been framed.

**9. CORPORATE SOCIAL RESPONSIBILITY**

The Company is not covered within provisions of Section 135 of the Companies Act, 2013 and rules framed thereunder.

**10. MATERIAL ORDERS PASSED**

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

**11. INTERNAL FINANCIAL CONTROL**

The Company has in place adequate Internal Financial Controls commensurate with the size of the Company with reference to Financial Statements.

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

Since the Company did not have any business activity and there were no Foreign Exchange earning, expenditure or outflow, the Particulars in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, as required to be disclosed by the Companies(Accounts) Rules, 2014, are not applicable.

**13. DIRECTORS & KEY MANAGERIAL PERSONNEL:**

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Dr. Jimmy Mirchandani (DIN 00239021) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Accordingly his re-appointment forms part of the Notice of ensuing AGM.

The Company does not have any Managing Directors or Executive/Whole Time Directors or any Key Managerial Personnel..

The Company is not required to appoint Independent Director within provisions of Section 149 of the Companies Act, 2013 and rules framed thereunder.

**14. MEETINGS OF BOARD**

Five Meetings of the Board of Directors were held during the year on 24.05.2019, 03.09.2019, 04.11.2019, 18.12.2019 and 11.02.2020.

**15. AUDITORS :**

M/s. Kirti D. Shah & Associates, Chartered Accountants, Mumbai,(Membership No. 32371), were appointed as the Statutory Auditors of the Company for a period of 5(five) years at the 13<sup>th</sup> Annual General Meeting of the Company held on 27<sup>th</sup> September, 2019 and being eligible continue to be the Statutory Auditors.

**16. AUDITORS' REPORT**

The Statutory Auditors' Report does not contain any qualification, reservation or adverse remark. Further that there was no fraud reported by Auditors under sub-section (12) of Section 143 of the Companies Act, 2013 other than those reportable to the Central Government.

### 17. DIRECTORS' RESPONSIBILITY STATEMENTS

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

1. in preparation of the Annual Accounts, applicable Accounting Standards have been followed and that there are no material departures
2. they have selected such Accounting Policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the State of the Affairs of the Company at the end of the financial year and of the Loss of the Company for that year;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. they have prepared the Annual Accounts on a 'going concern' basis
5. they have laid down Internal Financial Controls to be followed by the Company and such Internal Financial Controls are adequate and operating effectively;
6. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 18. EXTRACTS OF ANNUAL RETURN

As provided under Section 92(3) of the Companies Act, 2013 the Extract of the Annual Return is given in **Annexure-I** in prescribed Format MGT-9, which forms part of this Report. The Company does not have any web site.

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

#### RELATE

No material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this Report.

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

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

### 21. MAINTENANCE OF COST RECORDS

The Company is not required to maintain Cost Records as specified under Section 148 of the Companies Act, 2013 and the Rules framed thereunder.

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

The Company does not have any Employee, hence the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder, are not applicable.

### 23. ACKNOWLEDGEMENT :

Your Directors would like to express their grateful appreciation for the co-operation and assistance received from the Holding Company i.e. M/S Aries Agro Limited and other related agencies.

By Order of the Board  
For **Aries Agro Care Private Limited**

**Dr. Jimmy Mirchandani**  
Director  
DIN: 00239021

**Dr. Rahul Mirchandani**  
Director  
DIN: 00239057

Place : Mumbai  
Date : 18<sup>th</sup> June, 2020

**FORM NO. MGT – 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended 31.03.2020**

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

**I. REGISTRATION AND OTHER DETAILS**

CIN	U01122MH2007PTC166761
Registration Date	5 <sup>th</sup> January, 2007
Name of the Company	ARIES AGRO CARE PRIVATE LIMITED
Category / Sub-Category of the Company	COMPANY LIMITED BY SHARES /INDIAN NON-GOVERNMENT COMPANY
Address of the Registered Office and contact details	Aries House, Plot No. 24, Deonar, Govandi(E), Mumbai-400 043 Phone No. 022 2556 4052/53 Fax No. 022 2556 4054/2557 1711
Whether listed Company	NO
Name, address and contact details of Registrar and Transfer Agent, if any	<b>Not Applicable</b>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No	Name and Description of main products / Services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Seeds	1209	0.00

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	%age of Shares held	Applicable Section
1.	Aries Agro Limited	Aries House, Plot No. 24, Deonar, Govandi(E), Mumbai-400 043	L99999MH1969PLC014465	Holding	100	2(46)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****(i) Category wise shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2019				No. of Shares held at the end of the year 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.PROMOTERS</b>									
<b>(1) Indian</b>									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	10000	10000	100	0	10000	10000	100	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (1):-</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100</b>	<b>0</b>
<b>(2) Foreign</b>	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100</b>	<b>0</b>

## Aries Agro Care Private Limited

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2019				No. of Shares held at the end of the year 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. PUBLIC SHAREHOLDING</b>									-
<b>1. Institutions</b>									-
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	0	0	0	0	0	0	0	0	0
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
<b>b) Individuals</b>									
i) Individual Shareholders holding nominal share capital upto ` 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual Shareholders holding nominal share capital in excess of `1 lakh	0	0	0	0	0	0	0	0	0
c) Others Directors and Relatives	0	0	0	0	0	0	0	0	0
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	0	0	0	0	0	0	0	0	0
ii) Other Foreign Nationals	0	0	0	0	0	0	0	0	0
iii) Foreign Bodies	0	0	0	0	0	0	0	0	0
iv) NRI / OCBs	0	0	0	0	0	0	0	0	0
v) Clearing Members / Clearing House	0	0	0	0	0	0	0	0	0
vi) Trusts	0	0	0	0	0	0	0	0	0
vii) Limited Liability Partnership	0	0	0	0	0	0	0	0	0
viii) Foreign Portfolio Investor (Corporate)	0	0	0	0	0	0	0	0	0
ix) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B)(2):</b>	0	0	0	0	0	0	0	0	0
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	0	0	0	0	0	0	0	0	0
<b>C. SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100.00</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100.00</b>	<b>-</b>

(ii) **Shareholding of Promoters**

Shareholder's Name	No. of Shares held at the beginning of the year 01.04.2019			No. of Shares held at the end of the year 31.03.2020			% Change during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Aries Agro Limited	10000	100	0	10000	100	0	0
<b>Total</b>	<b>10000</b>	<b>100</b>	<b>0</b>	<b>10000</b>	<b>100</b>	<b>0</b>	<b>0</b>

(iii) **Change in Promoters' Shareholding**

There is no change in Promoter's Shareholding between 01.04.2019 to 31.03.2020.

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

Sr. No	Shareholder's Name *	Shareholding at the beginning of the year 01.04.2019		Shareholding at the end of the year 31.03.2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Aries Agro Limited	10000	100	10000	100
	<b>Total</b>				

(v) **Shareholding of Directors and Key Managerial Personnel:**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019		Cumulative Shareholding during the year		Date of change in shareholding	Reason for change
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		
1	<b>Directors</b>						
	<b>Total</b>						

**V. INDEBTEDNESS**

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

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
1. Principal Amount	NIL	61,66,550	NIL	61,66,550
2. Interest Due but not Paid	NIL	NIL	NIL	NIL
3. Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total(1+2+3)</b>	NIL	61,66,550	NIL	61,66,550
Change in Indebtedness during the Financial Year				
1. Addition	NIL	2,92,240	NIL	2,92,240
2. Reduction	NIL	NIL	NIL	NIL
<b>Net Change</b>	NIL	2,92,240	NIL	2,92,240
Indebtedness at the end of the Financial Year				
1. Principal Amount	NIL	64,58,790	NIL	64,58,790
2. Interest Due but not Paid	NIL	NIL	NIL	NIL
3. Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total(1+2+3)</b>	NIL	64,58,790	NIL	64,58,790

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

*The Company does not have any Managing Director/Executive Director/Whole Time Director and hence question of payment of Remuneration does not arise.*

**B. Remuneration to other Directors:**

*No Remuneration has been paid to Non-Executive Directors.*

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

*The Company does not have any Key Managerial Personnel other than Managing Director/ Executive Director/Whole Time Director hence no Remuneration has been paid*

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

There were no penalties, punishment or compounding of offences during the year ended 31<sup>st</sup> March, 2020

For and on behalf of the Board,

Place: Mumbai  
Date: 18<sup>th</sup> June, 2020

**Dr. Jimmy Mirchandani**  
**Director**  
**DIN: 00239021**

**Dr. Rahul Mirchandani**  
**Director**  
**DIN: 00239057**

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ARIES AGRO CARE PRIVATE LIMITED

#### Report on the Audit of the Standalone Financial Statements

##### Opinion

We have audited the accompanying standalone financial statements of **Aries Agro Care Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

##### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information in Board's Report but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of Auditor's Report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

##### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

##### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of financial statements may be influenced. We consider quantitative materiality and qualitative factors in i) planning the scope of our audit work and in evaluating the results of our work; and ii) to evaluate the effect of any identified misstatements in the financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books (and proper returns adequate for the purpose of our audit have been received from branches not visited by us).
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Kirti D. Shah & Associates**  
Chartered Accountants  
(Firm's Registration No. 115133W)

**Kirti D. Shah**  
Proprietor

Date: 18<sup>th</sup> June, 2020  
Place: Mumbai

(Membership No.032371)  
UDIN 20032371AAAAAB5085



**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March 2020, we report that:

- i. The Company does not have any Fixed Assets. Accordingly, reporting under clause 3(i) of the order is not applicable to the company.
- ii. There were no inventories during the year. Accordingly, reporting under clause 3 (ii) of the order is not applicable to the company.
- iii. According to the information and explanation given to us, the Company has not granted any loan, secured and unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, clause 3(iii) of the said order is not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees, and securities.
- v. The Company has not accepted deposit during the year and does not have any unclaimed deposit as at 31<sup>st</sup> March 2020 and therefore, the provision of clause 3 (v) of the Order is not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any services rendered by the company. Thus, reporting under clause 3(vi) of the order is not applicable to the company.
- vii. According to the information and explanations given to us and the records of the company examined by us, in our opinion:
  - a. The company is generally regular in depositing statutory dues including Provident Fund Employee State Insurance, Income Tax, Goods and Services Tax, Custom Duty, Cess, and any other material statutory dues except occasional/minor delays. The undisputed liabilities as on 31<sup>st</sup> March 2020 is for a period exceeding six months from the date of it becoming payable is NIL.
  - b. There is no disputed liability in respect of tax dues on account of Income Tax, Goods and Services Tax, Custom Duty, Cess, etc.
- viii. The company has not taken any of loans or borrowing from financial institution, banks, and Government or has not issued any debentures. Hence reporting under clause 3(viii) of the order is not applicable to the company.
- ix. According to the information and explanation provided to us, the company did not raise any money by way of initial public offering or further public offer (including debt instruments). The company has not taken any term loans during the year under audit and hence reporting under clause 3(ix) of the order is not applicable to the company.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the company, the company has not paid/provided for managerial remuneration and hence clause 3(xi) of the order is not applicable to the company.
- xii. The company is not a nidhi company. Accordingly, clause 3(xii) of the Order is not applicable to the company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause 3(xiv) of the order is not applicable to the company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable to the company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Kirti D. Shah & Associates**  
Chartered Accountants  
(Firm's Registration No. 115133W)

**Kirti D. Shah**  
Proprietor

Date: 18<sup>th</sup> June, 2020

Place: Mumbai

(Membership No.032371)  
UDIN 20032371AAAAAB5085

## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Aries Agro Care of even date)

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

We have audited the internal financial controls over financial reporting of **Aries Agro Care Private Limited** (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls

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

#### Auditor’s Responsibility

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

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

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

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Kirti D. Shah & Associates**  
Chartered Accountants  
(Firm’s Registration No. 115133W)

**Kirti D. Shah**  
Proprietor

Date: 18<sup>th</sup> June, 2020  
Place: Mumbai

(Membership No.032371)  
UDIN 20032371AAAAAB5085

**Balance Sheet as on 31st March, 2020**

(Amounts in Rupees unless stated otherwise)

Particulars	Note Nos.	As at 31st March 2020	As at 31st March 2019
<b>I. ASSETS</b>			
(1) <b>Current Assets</b>			
(a) Financial Assets			
(i) Cash & Cash Equivalents	3	13,099	9,362
(b) Other Current Assets	4	3,321,085	3,321,085
		<b>3,334,184</b>	3,330,447
<b>TOTAL</b>		<b>3,334,184</b>	3,330,447
<b>II. EQUITY AND LIABILITIES</b>			
(1) <b>Equity</b>			
(a) Equity Share Capital	5	100,000	100,000
(b) Other Equity	6	(3,315,735)	(3,053,372)
		<b>(3,215,735)</b>	(2,953,372)
(2) <b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Current Borrowings	7	540,155	247,915
(ii) Trade Payables - (a) Micro, Small & Medium Enterprises	8	23,600	50,840
Trade Payables - (b) Others	8	67,529	66,429
(b) Other Current Liabilities	9	5,918,635	5,918,635
		<b>6,549,919</b>	6,283,819
<b>TOTAL</b>		<b>3,334,184</b>	3,330,447
<b>Summary of Significant Accounting Policies</b>	2.1		

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

**As per our report of even date**

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

**Kirti D. Shah**  
Proprietor  
Membership No 32371  
UDIN 20032371AAAAAB5085

**Place :** Mumbai  
**Date :** 18th June, 2020

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

**Dr. Jimmy Mirchandani**  
**Director**  
DIN 00239021

**Dr. Rahul Mirchandani**  
**Director**  
DIN 00239057

**Statement of Profit and Loss for the year ended 31st March, 2020**

(Amounts in Rupees unless stated otherwise)

Particulars	Note Nos.	Year Ended 31st March 2020	Year Ended 31st March 2019
<b>I. Expenses :</b>			
(a) Other Expenses	10	262,363	242,229
<b>Total Expenses</b>		<b>262,363</b>	<b>242,229</b>
<b>II. Profit / (Loss) Before Tax</b>		<b>(262,363)</b>	<b>(242,229)</b>
<b>III. Profit / (Loss) after Tax</b>		<b>(262,363)</b>	<b>(242,229)</b>
<b>IV. Profit / (Loss) for the period</b>		<b>(262,363)</b>	<b>(242,229)</b>
<b>V. Other Comprehensive Income</b>			
(A) Items that will not be reclassified to Profit or Loss		-	-
(B) Items that will be reclassified to Profit or Loss		-	-
		-	-
<b>VI. Total Comprehensive Income for the period (IV + V)</b>		<b>(262,363)</b>	<b>(242,229)</b>
<b>VII. Earnings per Equity Share</b>	11		
(1) Basic & Diluted		<b>(26.24)</b>	<b>(24.22)</b>
<b>Summary of Significant Accounting Policies</b>	2.1		

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

As per our report of even date

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

**Kirti D. Shah**  
Proprietor  
Membership No 32371  
UDIN: 20032371AAAAAB5085

**Place :** Mumbai

**Date :** 18th June, 2020

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

**Dr. Jimmy Mirchandani**  
Director  
DIN 00239021

**Dr. Rahul Mirchandani**  
Director  
DIN 00239057

**Statement of Cash Flows for the year ended 31st March, 2020**

(Amounts in Rupees unless stated otherwise)

Sr. No.	Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
<b>A)</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before tax as per Statement of Profit and Loss	(262,363)	(242,229)
	<b>Adjusted for :</b>		
	Finance Costs	28,763	30,489
	Operating Profit before Working Capital Changes	(233,600)	(211,740)
	<b>Adjusted for :</b>		
	Increase / (Decrease) in Trade Payables & Other Current Liabilities	(26,140)	(11,461)
	Cash Generated from Operations	(259,740)	(223,201)
	<b>Net Cash Flow from Operating Activities (A)</b>	(259,740)	(223,201)
<b>B)</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
	Movement in Short Term Loans and Advances & Other Assets	-	15,316
	<b>Net Cash Flow from / ( used in) Investing Activities (B)</b>	-	15,316
<b>C)</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
	Current Borrowings ( Net )	292,240	232,101
	Finance Costs	(28,763)	(30,489)
	<b>Net Cash ( used in ) / from financing activities (C)</b>	263,477	201,612
	Net Increase in Cash and Cash Equivalents	3,737	(6,273)
	Opening Balance of Cash and Cash Equivalents	9,362	15,635
	Closing Balance of Cash and Cash Equivalents	13,099	9,362

NOTE : 1 The above statement has been prepared under the indirect method set out in Ind AS-7 " Statement of Cash Flows ".  
2 Figures in the bracket indicate cash out flow.

**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  
UDIN 20032371AAAAAB5085

**Place :** Mumbai

**Date :** 18th June, 2020

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

**Dr. Jimmy Mirchandani**

**Director**  
DIN 00239021

**Dr. Rahul Mirchandani**

**Director**  
DIN 00239057

**Statement of Changes in Equity for the year ended 31st March, 2020**

(Amounts in Rupees unless stated otherwise)

**Note No. - 5**

<b>A</b>	<b>Equity Share Capital</b>	<b>Balance as at 31st March, 2019</b>	<b>Changes in Equity Share Capital during the year</b>	<b>Balance as at 31st March, 2020</b>
		100,000	-	100,000

**Note No. - 6**

<b>B</b>	<b>Other Equity</b>	<b>Retained Earnings</b>	<b>Items of Other Comprehensive Income</b>	<b>Total</b>
	<b>Balance as at 31 March, 2019</b>	(3,053,372)	-	(3,053,372)
	Add / (Less) : Profit / (Loss) for the year	(262,363)	-	(262,363)
		(262,363)	-	(262,363)
	<b>Balance as at 31 March, 2020</b>	(3,315,735)	-	(3,315,735)
	<b>Balance as at 1st April, 2018</b>	(2,811,143)	-	(2,811,143)
	Add / (Less) : Profit / (Loss) for the year	(242,229)	-	(242,229)
		(242,229)	-	(242,229)
	<b>Balance as at 31 March, 2019</b>	(3,053,372)	-	(3,053,372)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

#### 1. Company Overview

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 of Financial Statements

##### a. Statement of Compliance

The Ind AS Standalone Financial Statements comprising Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity, Cash Flow Statement, together with the Notes to accounts along with a summary of the significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2020 have been prepared in accordance with the Ind AS notified above.

##### b. Basis of Measurement - Historic Cost Convention

These Financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that is measured at fair value (refer accounting policy regarding financial instruments);
- Assets held for sale – measured at fair value less cost to sale;
- Defined benefit plans – plan assets measured at fair value

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

##### c. Functional and Presentation Currency

Items included in the Financial Statements of the entity are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). Indian Rupee is the Functional currency of the Company.

The Financial statements are presented in Indian Rupees, which is the Company's presentation currency.

##### d. Use of Estimates:

The preparation of Financial Statements in accordance with Ind - AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realized may differ from these estimates. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized and, if material, their effects are disclosed in the notes to the Financial Statements.

### Estimates and assumptions are required in particular for:

- (i) Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalized. Useful life of tangible assets is based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful life is different from that prescribed in Schedule II, it is based on technical advice, taking into account the nature

of the asset, estimated usage and operating conditions of the asset, past history of replacement and maintenance support. An assumption also needs to be made, when the Company assesses, whether an asset may be capitalized and which components of the cost of the asset may be capitalized.

(ii) **Recognition and measurement of defined benefit obligations:**

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

(iii) **Recognition of deferred tax assets:**

A Deferred tax asset is recognized for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. The management assumes that taxable profits will be available while recognizing deferred tax assets.

(iv) **Recognition and measurement of other provisions:**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions.

(v) **Discounting of long-term financial liabilities**

All financial liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities, which are required to be subsequently measured at amortized cost, interest is accrued using the effective interest method.

(vi) **Determining whether an arrangement contains a lease:**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant lease hold improvements under taken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions.

e. **Ind - AS 115 "Revenue from Contract with Customers:**  
The MCA had notified Ind - AS 115 "Revenue from Contract with Customers" in February 2015. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

**f. Current Versus Non-Current Classification:**

(i) The assets and liabilities in the Balance Sheet are based on current/ non – current classification. An asset as current when it is:

1. Expected to be realized or intended to be sold or consumed in normal operating cycle.
2. Held primarily for the purpose of trading.
3. Expected to be realized within twelve months after the reporting period, or
4. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non - current.

(ii) A liability is current when it is:

1. Expected to be settled in normal operating cycle
2. Held primarily for the purpose of trading
3. Due to be settled within twelve months after the reporting period, or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are treated as non - current.

Deferred tax assets and liabilities are classified as non - current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

### **2.1 Significant Accounting Policies**

#### **A. Plant, Property & Equipment:**

All the property, plant and equipments have been carried at value in accordance with the previous GAAP. The Company has elected these value as deemed cost at the date of transition to Ind AS.

Property, Plant & Equipment are stated at original cost net of tax/ duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. All costs, including finance costs incurred up to the date the asset is ready for its intended use.

When significant parts of property, plant and equipment are required to be replaced at intervals, the company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly.

All the other repair and maintenance costs are recognized in the statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property, Plant & Equipment are eliminated from the financial statements either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment and gains and losses arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

Subsequent expenditure related to an item of Property, Plant & Equipment 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 Property, Plant & Equipment, 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 Plant, Property and Equipment 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.

#### **B. Depreciation & Amortization:**

a. Depreciation on property, plant & equipment is provided over the useful life of assets as specified in schedule II to the companies Act, 2013. In case of Property, plant & Equipment that are added/ disposed off during the year depreciation is provided on pro-rata basis with reference to the month of addition/ deletion.

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.

b. Depreciation methods, useful life and residual values are reviewed at each reporting date and adjusted if appropriate.

#### **C. Intangible Assets :**

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over the irrespective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The useful lives of intangible assets are assessed as either finite or infinite.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is considered to modify the amortized period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite useful life are amortized on straight line basis over the useful economic life and assessed for impairment whenever there is any indication that the intangible asset may be impaired.

Intangibles with indefinite useful life, if any are not amortized, but are tested for impairment annually, either individually or at the cash generating unit level.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

**D. Borrowing Costs:**

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset (net of income earned on temporary deployment of funds) are capitalized as a part of the cost of such assets. Borrowing cost consists of interest, other cost incurred in connection with borrowings of fund and exchange differences to the extent regarded as an adjustment to the borrowing cost. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are charged to the Statement of Profit and Loss.

**E. Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

**Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Contingent rents are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

**F. Inventories and WIP:**

Inventories are valued at the lower of cost and net realizable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

**a. 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. Raw material, store and spares: Cost on FIFO basis or net realizable value, whichever is lower.

**b. 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.

**c. 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.

**d. Waste and scrap are not separately valued being insignificant in value.**

**e. 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.**

**G. Foreign Currency Transactions and Balances::**

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. Exchange difference that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the Statement of Profit and Loss in the period in which they arise.

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.

**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, regardless of when the payment is being made.

The specific recognition criteria described below must also be met before revenue is recognized.

**a. Sale of products:**

As stated in Ind AS 115, Revenue from sale of products is recognized when the entity transfers the control of goods and services to customers at an amount that the entity expects to be entitled. The Company collects Goods and Service Tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied net of discounts, returns etc. Ind As 115 is based on a five step model as mentioned below.

1. Identify the contract with customer
2. Identify the performance obligation
3. Determine the transactions price
4. Allocate transaction price
5. Recognize Revenue when (or as) performance obligations are satisfied.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

**b. Interest Income**

Interest income is recognized on accrual basis at applicable interest rates. For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payment or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial assets interest income is included in other income in the statement of profit & loss.

**c. Dividend income:**

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

**I. Expenditure on new projects and substantial expansion:**

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is directly related to construction or is incidental there to. 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 capitalized. As regards indirect expenditure on expansion, only that portion is capitalized which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalized only if they increase the value of the asset beyond its original standard of performance.

**J. Employee benefits:**

**a. Short Term Employee Benefits:**

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

Short - term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**b. Post-Employment Benefits:**

**(i) Defined Contribution Plans:**

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.

**(ii) Defined Benefit Plans:**

The employees' gratuity fund scheme is the Company's defined benefit plan. The present value of the obligation under the said defined benefit plan is determined on the basis of actuarial valuation from an independent actuary using the Projected Unit Credit Method.

The gratuity benefit of the Company is administered by a trust formed for this purpose through the group gratuity scheme.

Remeasurements comprising of actuarial gain and losses, the effect of the asset ceiling and the return on plan assets (excluding amount included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur.

Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

Past service cost is recognised in the statement of profit & loss in the period of plan amendment.

Net interest is calculated by applying the discounted rate to the net defined benefit liability or asset.

**c. Other Long Term Employee Benefits:**

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. Taxes :**

**a. Current Income Tax:**

(i) Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.

Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of the previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognized amounts; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(ii) Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit & loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**b. Deferred taxes:**

(i) Deferred tax is provided using the balance sheet approach on temporary differences at the reporting

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at the reporting date.

- (ii) The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognized to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted at the balance sheet date.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in the income statement. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

**c. Sales/ value added taxes**

Expenses and assets are recognized net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

**d. Minimum Alternate Tax**

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.

**L. Segment reporting**

**Identification of segments**

The Company's operating businesses are organized and managed separately according to the nature of products and

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

**M. Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

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.

**N. Impairment of Non Financial Assets**

As at each balance sheet date, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognized in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, if any, the Company determines the recoverable amount and impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In the case of an individual asset, at the higher of the fair value less cost to sell and the value in use; and
- In the case of cash generating unit (a group of assets that generate identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset.

In determining fair value less cost disposal, recent market transaction are taken in to account.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

Intangible assets with indefinite useful lives are tested for impairment annually, as appropriate, and when circumstances indicate that the carrying value may be impaired.

**O. Provisions, Contingent Liabilities and Contingent Assets:**

A provision is recognized if as a result of a past event the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are not recognized but disclosed in the Financial Statements when economic inflow is probable.

- a. Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

- i. the Company has a present obligation as a result of past event,
  - ii. a probable outflow of resources is expected to settle the obligation; and
  - iii. the amount of obligation can be reliably estimated.
- If the effect of time value of money is material, provisions are discounted using current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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.

- b. Contingent liabilities are disclosed in case of:
  - i. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation,
  - ii. a present obligation arising from past events, when no reliable estimate is possible,
  - iii. a possible obligation arising from past events where the probability of outflow of resources is not remote.
- c. Contingent assets are neither recognized nor disclosed. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions and Contingent Liabilities are recognized / disclosed after an evaluation of the facts and legal aspects and the amounts are reviewed on the Balance Sheet date.

### P. Non-current assets held for sale:

Non-Current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Non Current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

The criteria for held for sale/ distribution classification is regarded met only when the assets are available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated,
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of

classification, and

- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale to owners are not depreciated or amortized.

### Q. Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### a. Financial Assets:

##### (i) Classification

Financial Assets comprises of Investments in Equity and Debt securities, Trade Receivables, Cash and Cash equivalents, Borrowings and other Financial Assets.

##### (ii) Initial recognition and measurement

All financial assets is recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial Assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

##### (iii) Subsequent Recognition

##### a. Financial Assets measured at amortized cost

Financial assets are measured at amortized cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are measured at amortized cost using the effective interest rate (EIR) method.

The EIR amortization is recognized as finance income in the Statement of Profit and Loss.

The Company while applying the above criteria has classified the following at Amortized Cost:

- a) Investment in Debt Instruments
- b. **Financial Assets measured at fair value through other comprehensive income (FVTOCI)**

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.
- c. **Financial Assets measured at fair value through profit or loss (FVTPL)**

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognized in profit or loss.
- d. **Investment in Subsidiary and Associates**

Investment in equity instruments of Subsidiaries and Associates are measured at cost. Provision for

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

Impairment loss on such investment is made only when there is a diminution in value of the investment, which is other than temporary.

### e. Investment in Debt Instruments

A debt instrument is measured at amortized cost or at FVTPL. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

### (iv) De-recognition of Financial Assets:

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

### b. Financial Liabilities:

#### (i) Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans, borrowings, and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, security deposits and other deposits.

#### (ii) Subsequent measurement:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity.

All other changes in fair value of such liability are recognised in the statement of profit or loss.

#### (iii) Loans and Borrowings:

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings

### (iv) Derecognition of Financial Liabilities:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

### R. Earnings Per Share:

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.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares, that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

### S. Investments:

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

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

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

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

(Amounts in Rupees unless stated otherwise)

3 CASH AND CASH EQUIVALENTS	As at 31st March 2020	As at 31st March 2019
Balance with Banks in Current Accounts	13,099	9,362
<b>Total</b>	<b>13,099</b>	<b>9,362</b>

4 OTHER CURRENT ASSETS	As at 31st March 2020	As at 31st March 2019
<b>(Un-secured and Considered Good)</b>		
Security Deposits	7,000	7,000
Other Advances	3,314,085	3,314,085
<b>Total</b>	<b>3,321,085</b>	<b>3,321,085</b>

- 4.1 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.

5 EQUITY SHARE CAPITAL	As at 31st March 2020	As at 31st March 2019
<b>Authorised Share Capital</b>		
10,000 Equity Shares of Rs. 10/- each	100,000	100,000
	<b>100,000</b>	<b>100,000</b>
<b>Issued, Subscribed and Fully Paidup</b>		
10,000 (Previous Year 10,000) Equity Shares of Rs 10/- each.	100,000	100,000
	<b>100,000</b>	<b>100,000</b>

- 5.1 Reconciliation of the number of **Equity Shares** :

Particulars	As at 31st March 2020	As at 31st March 2019
Equity Shares at the beginning of the year	10,000	10,000
Add :- Issued during the year	-	-
Less :- Shares cancelled during the year	-	-
Equity Shares at the end of the year	<b>10,000</b>	<b>10,000</b>

- 5.2 **List of Shareholder's holding more than 5 % Shares in the Company :**

Name of the Share Holder	No of Shares	As at 31st March 2020 % of Holding	No of Shares	As at 31st March 2019 % of Holding
(i) Aries Agro Limited	10,000	100.00%	10,000	100.00%
	<b>10,000</b>	<b>100.00%</b>	<b>10,000</b>	<b>100.00%</b>

7 CURRENT BORROWINGS	As at 31st March 2020	As at 31st March 2019
<b>Un-Secured Borrowings</b>		
From Related Parties	540,155	247,915
<b>Total</b>	<b>540,155</b>	<b>247,915</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

8	<b>TRADE PAYABLES</b>	As at 31st March 2020	As at 31st March 2019
	Trade Payables - Micro, Small & Medium Enterprises	23,600	50,840
	Trade Payables - Others	67,529	66,429
	<b>Total</b>	<b>91,129</b>	<b>117,269</b>

8.1 There are no Micro and Small Enterprises to whom Company owes dues, which are outstanding for more than 45 days as at 31st March, 2020. 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.

8.2 All Trade Payables are non-interest bearing and payable or settled within normal operating cycle of the Company.

9	<b>OTHER CURRENT LIABILITIES</b>	As at 31st March 2020	As at 31st March 2019
	Other Payables	5,918,635	5,918,635
		<b>5,918,635</b>	<b>5,918,635</b>

10	<b>OTHER EXPENSES</b>	Year Ended 31st March, 2020	Year Ended 31st March, 2019
	<b>Other Administration Expenses</b>		
	Audit Fees	17,700	17,700
	Bank and Finance Charges	28,763	30,489
	Legal & Professional Fees	209,500	189,440
	Rent, Rates & Taxes	6,400	4,600
	<b>Total</b>	<b>262,363</b>	<b>242,229</b>

### 10.1 Other Disclosures

#### a) Auditors Remuneration

Sr. No.	Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
<b>1</b>	<b>Statutory Auditors</b>		
(i)	Audit Fee	17,700	18,150
(ii)	Taxation Matters	5,900	5,900
		<b>23,600</b>	<b>24,050</b>

### 11 EARNINGS PER SHARE (EPS)

The following is a reconciliation of the Equity Shares used in the computation of basic and diluted earnings per Equity Share :

Sr. No	Particulars	As at 31st March 2020	As at 31st March 2019
(i)	Issued Equity Shares	10,000	10,000
	<b>Weighted Average Shares outstanding - Basic and Diluted</b>	<b>10,000</b>	<b>10,000</b>

Net Profit available to Equity Shareholders of the Company used in the basic and diluted earnings per share was determined as follows :

Sr. No	Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
(i)	Profit and Loss after Tax attributable to Equity Shareholders	(262,363)	(242,229)
(ii)	Basic Earning per Equity Share	(26.24)	(24.22)
(iii)	Face value of Equity Share	10	10

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**
**12 RELATED PARTY DISCLOSURES**

Related Party Disclosures as per Ind AS 24 issued by the Institute of Chartered Accountants of India

(Amounts in Rupees unless stated otherwise)

Part - A Details of Related Parties				
Sr. No.	Nature of Relationship	Name of the Related Party	Remarks	
1	Holding Company	a) Aries Agro Limited	a) Date of becoming Subsidiary of Aries Agro Limited is 5th January, 2007 (Incorporation Date)	
2	Key Management Personnel	a) Dr. Jimmy Mirchandani b) Dr. Rahul Mirchandani	a) Director b) Director	
3	Relatives of Key Management Personnel	Name of the Key Management Personnel	Name of the Relative	Relationship
		a) Dr. Jimmy Mirchandani	a) Mr. Akshay Mirchandani b) Mr. Amol Mirchandani c) Dr. Rahul Mirchandani	Son Son Brother
		b) Dr. Rahul Mirchandani	a) Mrs. Nitya Mirchandani b) Mastar Armaan Mirchandani c) Dr. Jimmy Mirchandani	Spouse Son Brother
4	Fellow Subsidiaries	a) Aries Agro Equipments Pvt Ltd b) Golden Harvest Middle East FZC c) Amarak Chemicals	a) A wholly owned Subsidiary of Aries Agro Limited b) A Subsidiary of Aries Agro Limited c) 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 31st March, 2020	Year Ended 31st March, 2019
1	Holding Company	Loans taken	20,250	34,750
		Loan repaid	20,250	34,750
2	Key Management Personnel	Loans taken	292,240	232,101

Part - C Balance Outstanding with Related Parties				
Category	Nature of outstanding	Name of the Replated Party	As at 31st March, 2020	As at 31st March, 2019
Group Company	Other Current Liabilities	Aries Agro Equipments Private Limited	5,918,635	5,918,635
Key Management Personnel	Unsecured Loans	Dr. Jimmy Mirchandani	15,814	15,814
		Dr. Rahul Mirchandani	524,341	232,101



## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

### **13. Current Assets, Loan & Advances and Provisions**

- a) The current assets and loans and advances are approximately of the value stated, if realized in the ordinary course of business.
- b) The provision for all known liabilities is not in excess of the amounts considered reasonably necessary.
- c) The balances of sundry creditors, sundry debtors and loans and advances are subject to confirmation.
- d) The loans and advances includes Rs. 33.14 lakhs/- advanced to M/s Pradham Biotech limited for supply of seeds. The said supplier failed to supply the goods in time. The Company has filed suit for winding up the Company. The Company in view of such suit is hopeful of recovery of all dues. Hence no provision is made in the accounts in respect of such dues.

### **14. Contingent Liability**

- a) Claims against company not acknowledged as debts Rs. 103.64 Lakhs which pertains to pending suits regarding alleged dues. [The Company M/s Pradham Biotech Private Limited has filed counter claim in respect of cancellation of order for seeds – See note no. 13(d)]

### **15. Foreign Exchange Earnings & Outflow:**

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

### **16. Micro and Small Scale Business Entities**

There are no micro and small Enterprises to whom company owes dues, which are outstanding for more than 45 days as at 31<sup>st</sup> March 2020. This Information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

### **17. Segment Reporting**

The Company has only one business segment “Agricultural Seeds” as its primary segment and hence disclosure of segment-wise information is not required under Indian Accounting Standard (Ind AS) 108 – Operating Segments’ notified pursuant to the Companies (Indian Accounting Standard) Rules, 2016 (as amended).

- 18. In absence of virtual certainty that sufficient future taxable income will be available for setoff of losses incurred by the company, the company has not taken credit for Deferred tax assets.
- 19. The Previous year’s figures are re-arranged and re-grouped wherever is necessary.

**As per our report of even date**

**For Kirti D. Shah & Associates**

Chartered Accountants  
Firm Registration No. 115133W

**Kirti D. Shah**

Proprietor  
Membership No 32371  
UDIN 20032371AAAAAB5085

**Place :** Mumbai

**Date :** 18th June, 2020

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

**Dr. Jimmy Mirchandani**

**Director**  
DIN 00239021

**Dr. Rahul Mirchandani**

**Director**  
DIN 00239057

**NOTICE OF 14<sup>TH</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the Fourteenth Annual General Meeting of the Members of **ARIES AGRO EQUIPMENTS PRIVATE LIMITED** will be held on Friday, 25<sup>th</sup> September, 2020 at 11.00 AM. at the Registered office of the Company at Aries House, Plot No. 24, Deonar, Govandi (East), Mumbai-400 043 to transact the following Ordinary Business:-

1. To receive, consider, approve and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2020, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint Director in place of Dr. Jimmy Mirchandani (DIN 00239021) who retires by rotation and being eligible offers himself for re-appointment.

**By Order of the Board  
For Aries Agro Equipments Private Limited**

**Place: Mumbai  
Date: 18<sup>th</sup> June, 2020**

**Dr. Rahul Mirchandani  
Director  
DIN: 00239057**

**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.

**BOARD'S REPORT**

To,  
The Members of  
Aries Agro Equipments Private Limited.

Your Directors present their Fourteenth Annual Report together with Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2020.

**1. FINANCIAL RESULTS :**

During the year under review the Company did not do any business and did not have any Income. But the Company has incurred a loss of Rs. 59,597/- as compared to the Loss of Rs. 54,602/- in the Previous Year.

**2. CURRENT STATUS :**

Due to inadequacy of Distribution Network specifically for Farm Equipments, the business of the Company stood suspended during the year.

**3. DIVIDEND AND TRANSFER TO RESERVE :**

Since the Company has incurred losses the question of Dividend and Transfer to Reserve does not arise.

**4. DEPOSITS :**

The Company has not accepted any Fixed Deposits from the Public.

**5. PARTICULARS OF EMPLOYEES & RELATED DISCLOSURES**

The Company does not have any Managing Directors or Executive/Whole Time Directors or any Employees who were in receipt of remuneration in excess of the provisions under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014,

**6. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186**

The Company has not given any Loans or given Guarantees or made Investments in terms of provisions of Section 186 of the Companies Act, 2013

**7. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

As there was no business activity in the Company during the Financial Year 2019-20, there were no Contracts or Arrangements with Related Parties.

**8. RISK MANAGEMENT POLICY AND ITS IMPLEMENTATION**

Since there is no business activity in the Company and there is no risk which may affect the Company and as the Company is an Un-listed Company no Risk Management Policy has been framed.

**9. CORPORATE SOCIAL RESPONSIBILITY**

The Company is not covered within provisions of Section 135 of the Companies Act, 2013 and rules framed thereunder.

**10. MATERIAL ORDERS PASSED**

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

**11. INTERNAL FINANCIAL CONTROL**

The Company has in place adequate Internal Financial Controls commensurate with the size of the Company with reference to Financial Statements.

**12. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREGIN EXCHANGE EARNINGS AND OUTGO :**

Since the Company does not have any business activity and there were no Foreign Exchange earning, expenditure or outflow, the Particulars in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, as required to be disclosed by the Companies(Accounts) Rules, 2014, are not applicable.

**13. DIRECTORS & KEY MANAGERIAL PERSONNEL:**

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Dr. Jimmy Mirchandani(DIN 00239021) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Accordingly his re-appointment forms part of the Notice of ensuing AGM.

The Company does not have any Managing Directors or Executive/Whole Time Directors or any Employees hence question of any Key Managerial Personnel does not arise.

The Company is not required to appoint Independent Director within provisions of Section 149 of the Companies Act, 2013 and rules framed thereunder.

**14. MEETINGS OF BOARD**

Five Meetings of the Board of Directors were held during the year on 24.05.2019, 03.09.2019, 04.11.2019, 18.12.2019 and 11.02.2020.

**15. AUDITORS & AUDITORS REPORTS**

M/s. Kirti D. Shah & Associates, Chartered Accountants, Mumbai,(Membership No. 32371), were appointed as the Statutory Auditors of the Company for a period of 5(five) years at the 13<sup>th</sup> Annual General Meeting of the Company held on 27<sup>th</sup> September, 2019 and being eligible continue to be the Statutory Auditors.

The Statutory Auditors' Report does not contain any qualification, reservation or adverse remark. Further that there was no fraud reported by Auditors under sub-section (12) of Section 143 of the Companies Act, 2013 other than those reportable to the Central Government.

**16. DIRECTORS' RESPONSIBILITY STATEMENTS**

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

1. in preparation of the Annual Accounts, applicable Accounting Standards have been followed and that there are no material departures
2. they have selected such Accounting Policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the State of the Affairs of the Company at the end of the financial year and of the Loss of the Company for that year;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. they have prepared the Annual Accounts on a 'going concern' basis.
5. they have laid down Internal Financial Controls to be followed by the Company and such Internal Financial Controls are adequate and operating effectively;
6. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 17. EXTRACTS OF ANNUAL RETURN

As provided under Section 92(3) of the Companies Act, 2013 the Extract of the Annual Return is given in **Annexure-I** in prescribed Format MGT-9, which forms part of this Report. The Company does not have any web site.

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

No material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this Report.

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

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

### 20. MAINTENANCE OF COST RECORDS

The Company is not required to maintain Cost Records as specified under Section 148 of the Companies Act, 2013 and the Rules framed thereunder.

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

The Company does not have any Employee, hence the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder, are not applicable,

### 22. ACKNOWLEDGEMENT :

Your Directors would like to express their grateful appreciation for the co-operation and assistance received from the Holding Company i.e. M/S Aries Agro Limited and other related agencies..

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

**Dr. Jimmy Mirchandani**

Director

DIN: 00239021

Place : Mumbai

Date : 18<sup>th</sup> June, 2020

**Dr. Rahul Mirchandani**

Director

DIN: 00239057

**FORM NO. MGT – 9**  
**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended 31.03.2020**

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

**I. REGISTRATION AND OTHER DETAILS**

CIN	U01403MH2007PTC166972
Registration Date	12 <sup>th</sup> January, 2007
Name of the Company	ARIES AGRO EQUIPMENTS PRIVATE LIMITED
Category / Sub-Category of the Company	COMPANY LIMITED BY SHARES /INDIAN NON-GOVERNMENT COMPANY
Address of the Registered Office and contact details	Aries House, Plot No. 24, Deonar, Govandi(E), Mumbai-400 043 Phone No. 022 2556 4052/53 Fax No. 022 2556 4054/2557 1711
Whether listed Company	NO
Name, address and contact details of Registrar and Transfer Agent, if any	<b>Not Applicable</b>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No	Name and Description of main products / Services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Farm Equipments	8424	0.00

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	%tage of Shares held	Applicable Section
1.	Aries Agro Limited	Aries House, Plot No. 24, Deonar, Govandi(E), Mumbai-400 043	L99999MH1969PLC014465	Holding	100	2(46)

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

**(i) Category wise shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2019				No. of Shares held at the end of the year 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.PROMOTERS</b>									
<b>(1) Indian</b>									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	10000	10000	100	0	10000	10000	100	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (1):-</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100</b>	<b>0</b>

## Aries Agro Equipments Private Limited

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2019				No. of Shares held at the end of the year 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2):-</b>	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100</b>	<b>0</b>
<b>B. PUBLIC SHAREHOLDING</b>									-
<b>1. Institutions</b>									-
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	0	0	0	0	0	0	0	0	0
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
<b>b) Individuals</b>									
i) Individual Shareholders holding nominal share capital upto ` 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual Shareholders holding nominal share capital in excess of ` 1 lakh	0	0	0	0	0	0	0	0	0
c) Others Directors and Relatives	0	0	0	0	0	0	0	0	0
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	0	0	0	0	0	0	0	0	0
ii) Other Foreign Nationals	0	0	0	0	0	0	0	0	0
iii) Foreign Bodies	0	0	0	0	0	0	0	0	0
iv) NRI / OCBs	0	0	0	0	0	0	0	0	0
v) Clearing Members / Clearing House	0	0	0	0	0	0	0	0	0
vi) Trusts	0	0	0	0	0	0	0	0	0
vii) Limited Liability Partnership	0	0	0	0	0	0	0	0	0
viii) Foreign Portfolio Investor (Corporate)	0	0	0	0	0	0	0	0	0
ix) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B)(2):</b>	0	0	0	0	0	0	0	0	0
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	0	0	0	0	0	0	0	0	0
<b>C. SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100.00</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100.00</b>	<b>-</b>

(ii) **Shareholding of Promoters**

Shareholder's Name	No. of Shares held at the beginning of the year 01.04.2019			No. of Shares held at the end of the year 31.03.2020			% Change during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Aries Agro Limited	10000	100	0	10000	100	0	0
<b>Total</b>	<b>10000</b>	<b>100</b>	<b>0</b>	<b>10000</b>	<b>100</b>	<b>0</b>	<b>0</b>

(iii) **Change in Promoters' Shareholding**

There is no change in Promoter's Shareholding between 01.04.2019 to 31.03.2020.

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

Sr. No	Shareholder's Name *	Shareholding at the beginning of the year 01.04.2019		Shareholding at the end of the year 31.03.2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Aries Agro Limited	10000	100	10000	100
	<b>Total</b>				

(v) **Shareholding of Directors and Key Managerial Personnel:**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019		Cumulative Shareholding during the year		Date of change in shareholding	Reason for change
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		
1	<b>Directors</b>						
	<b>NIL</b>						

**V. INDEBTEDNESS**

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

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year	NIL	57,013	NIL	57,013
1. Principal Amount	NIL	NIL	NIL	NIL
2. Interest Due but not Paid	NIL	NIL	NIL	NIL
3. Interest accrued but not due				
<b>Total(1+2+3)</b>	NIL	57,013	NIL	57,013
Change in Indebtedness during the Financial Year				
1. Addition	NIL	31,401	NIL	31,401
2. Reduction	NIL	NIL	NIL	NIL
<b>Net Change</b>	NIL	31,401	NIL	31,401
Indebtedness at the end of the Financial Year				
1. Principal Amount	NIL	88,414	NIL	88,414
2. Interest Due but not Paid	NIL	NIL	NIL	NIL
3. Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total(1+2+3)</b>	NIL	88,414	NIL	88,414

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

*The Company does not have any Managing Director/Executive Director/Whole Time Director and hence question of payment of Remuneration does not arise*

**B. Remuneration to other Directors:**

*No Remuneration has been paid to Non-Executive Directors.*

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

*The Company does not have any Key Managerial Personnel other than Managing Director/ Executive Director/Whole Time Director hence no Remuneration has been paid*

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

There were no penalties, punishment or compounding of offences during the year ended 31<sup>st</sup> March, 2020

For and on behalf of the Board,

Place: Mumbai  
Date: 18<sup>th</sup> June, 2020

**Dr. Jimmy Mirchandani**  
Director  
DIN: 00239021

**Dr. Rahul Mirchandani**  
Director  
DIN: 00239057



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ARIES AGRO EQUIPMENTS PRIVATE LIMITED

#### Report on the Audit of the Standalone Financial Statements

##### Opinion

We have audited the accompanying standalone financial statements of **Aries Agro Equipments Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

##### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information in Board's Report but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of Auditor's Report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

##### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

##### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of financial statements may be influenced. We consider quantitative materiality and qualitative factors in i) planning the scope of our audit work and in evaluating the results of our work; and ii) to evaluate the effect of any identified misstatements in the financial statements.

## Aries Agro Equipments Private Limited

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As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books (and proper returns adequate for the purpose of our audit have been received from branches not visited by us).
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Kirti D. Shah & Associates**  
Chartered Accountants  
(Firm's Registration No. 115133W)

**Kirti D. Shah**  
Proprietor

Date: 18<sup>th</sup> June, 2020  
Place: Mumbai

(Membership No.032371)  
UDIN 20032371AAAAAA8852

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March 2020, we report that:

- i. The Company does not have any Fixed Assets. Accordingly, reporting under clause 3(i) of the order is not applicable to the company.
- ii. There were no inventories during the year. Accordingly, reporting under clause 3 (ii) of the order is not applicable to the company.
- iii. According to the information and explanation given to us, the Company has granted loan to one corporate entity covered in the register maintained under section 189 of the Act, 2013 :
  - a. As per information and explanation provided to us, the rate of interest and other terms and conditions on which the loans granted by the company to the body corporate listed in the register maintained under section 189 of the Act were not, prima facie, prejudicial to the interest of the company.
  - b. As per information and explanation provided to us, in case of loans granted by the company to the body corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of principal and interest as stipulated wherever applicable.
  - c. As per information given by the management, there are no overdue amounts in respect of the loans granted to the body corporate listed in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees, and securities.
- v. The Company has not accepted deposit during the year and does not have any unclaimed deposit as at 31<sup>st</sup> March 2020 and therefore, the provision of clause 3 (v) of the Order is not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any services rendered by the company. Thus reporting under clause 3(vi) of the order is not applicable to the company.
- vii. According to the information and explanations given to us and the records of the company examined by us, in our opinion:
  - a. The company is generally regular in depositing statutory dues including Provident Fund Employee State Insurance, Income Tax, Goods and Services Tax, Custom Duty, Cess, and any other material statutory dues except occasional/minor delays. The undisputed liabilities as on 31<sup>st</sup> March 2020 is for a period exceeding six months from the date of it becoming payable is NIL.
  - b. There is no disputed liability in respect of tax dues on account of Income Tax, Goods and Services Tax, Custom Duty, Cess, etc.
- viii. The company has not taken any of loans or borrowing from financial institution, banks, and Government or has not issued any debentures. Hence reporting under clause 3(viii) of the order is not applicable to the company.
- ix. According to the information and explanation provided to us, the company did not raise any money by way of initial public offering or further public offer (including debt instruments). The company has not taken any term loans during the year under audit and hence reporting under clause 3(ix) of the order is not applicable to the company.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the company, the company has not paid/provided for managerial remuneration and hence clause 3(xi) of the order is not applicable to the company.
- xii. The company is not a nidhi company. Accordingly, clause 3(xii) of the Order is not applicable to the company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause 3(xiv) of the order is not applicable to the company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable to the company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Kirti D. Shah & Associates**  
Chartered Accountants  
(Firm's Registration No. 115133W)

**Kirti D. Shah**  
Proprietor

Date: 18<sup>th</sup> June, 2020  
Place: Mumbai

(Membership No.032371)  
UDIN 20032371AAAAA8852

## **ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Aries Agro Equipment of even date)

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

We have audited the internal financial controls over financial reporting of **Aries Agro Equipments Private Limited** (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditor’s Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

#### **Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Kirti D. Shah & Associates**  
Chartered Accountants  
(Firm’s Registration No. 115133W)

**Kirti D. Shah**  
Proprietor

Date: 18<sup>th</sup> June, 2020  
Place: Mumbai

(Membership No.032371)  
UDIN 20032371AAAAAA8852

**Balance Sheet as on 31st March, 2020**

(Amounts in Rupees unless stated otherwise)

Particulars	Note Nos.	As at 31st March, 2020	As at 31st March, 2019
<b>I. ASSETS</b>			
(1) <b>Current Assets</b>			
(a) Financial Assets			
(i) Cash & Cash Equivalents	3	2,080,713	2,155,110
(b) Other Current Assets	4	6,002,140	6,002,140
<b>TOTAL</b>		<b>8,082,853</b>	<b>8,157,250</b>
		<b>8,082,853</b>	<b>8,157,250</b>
<b>II. EQUITY AND LIABILITIES</b>			
(1) <b>Equity</b>			
(a) Equity Share Capital	5	100,000	100,000
(b) Other Equity	6	7,569,016	7,628,613
		<b>7,669,016</b>	<b>7,728,613</b>
(2) <b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Current Borrowings	7	68,414	37,013
(ii) Trade Payables - (a) Micro, Small & Medium Enterprises	8	23,600	70,900
(iii) Trade Payables - (b) Others	8	301,823	300,724
(b) Other Current Liabilities	9	20,000	20,000
		<b>413,837</b>	<b>428,637</b>
<b>TOTAL</b>		<b>8,082,853</b>	<b>8,157,250</b>
		<b>8,082,853</b>	<b>8,157,250</b>
<i>Summary of Significant Accounting Policies</i>	2.1		

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

**As per our report of even date**

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

**Kirti D. Shah**  
Proprietor  
Membership No 32371  
UDIN : 20032371AAAAAA8852

**Place :** Mumbai  
**Date :** 18th June, 2020

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

**Dr. Jimmy Mirchandani**  
Director  
DIN 00239021

**Dr. Rahul Mirchandani**  
Director  
DIN 00239057

**Statement of Profit and Loss for the year ended 31st March, 2020**

(Amounts in Rupees unless stated otherwise)

Particulars	Note Nos.	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>I. Expenses :</b>			
(a) Other Expenses	10	<b>59,597</b>	54,602
<b>Total Expenses</b>		<b>59,597</b>	54,602
<b>II. Profit / (Loss) Before Tax</b>		<b>(59,597)</b>	(54,602)
<b>III. Profit / (Loss) after Tax</b>		<b>(59,597)</b>	(54,602)
<b>IV. Profit / (Loss) for the period</b>		<b>(59,597)</b>	(54,602)
<b>V. Other Comprehensive Income</b>			
(A) Items that will not be reclassified to Profit or Loss		-	-
(B) Items that will be reclassified to Profit or Loss		-	-
		-	-
<b>VI. Total Comprehensive Income for the period (IV+V)</b>		<b>(59,597)</b>	(54,602)
<b>VII. Earnings per Equity Share</b>	11		
(1) Basic & Diluted		<b>(5.96)</b>	(5.46)
<b>Summary of Significant Accounting Policies</b>	2.1		

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

As per our report of even date

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

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

**Dr. Jimmy Mirchandani**  
Director  
DIN 00239021

**Kirti D. Shah**  
Proprietor  
Membership No 32371  
UDIN 20032371AAAAAA8852

**Dr. Rahul Mirchandani**  
Director  
DIN 00239057

**Place :** Mumbai  
**Date :** 18th June, 2020

**Statement of Cash Flows for the year ended 31st March, 2020**

(Amounts in Rupees unless stated otherwise)

Sr. No.	Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
<b>A)</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before tax as per Statement of Profit and Loss	(59,597)	(54,602)
	<b>Adjusted for :</b>		
	Finance Costs	28,497	25,302
	Operating Profit before Working Capital Changes	(31,100)	(29,300)
	<b>Adjusted for :</b>		
	(Increase) / Decrease in Trade Receivables	-	-
	Increase / (Decrease) in Trade Payables & Other Current Liabilities	(46,200)	17,000
	Cash Generated from Operations	(77,300)	(12,300)
	<b>Net Cash Flow from Operating Activities (A)</b>	<b>(77,300)</b>	<b>(12,300)</b>
<b>B)</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
	Movement in Short Term Loans and Advances & Other Assets	-	10,000
	<b>Net Cash Flow from / ( used in) Investing Activities (B)</b>	<b>-</b>	<b>10,000</b>
<b>C)</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
	Current Borrowings ( Net )	31,400	21,200
	Finance Costs	(28,497)	(25,302)
	<b>Net Cash ( used in ) / from financing activities (C)</b>	<b>2,903</b>	<b>(4,102)</b>
	Net Increase in Cash and Cash Equivalents	(74,397)	(6,402)
	Opening Balance of Cash and Cash Equivalents	2,155,110	2,161,512
	Closing Balance of Cash and Cash Equivalents	<b>2,080,713</b>	<b>2,155,110</b>

NOTE : 1 The above statement has been prepared under the indirect method set out in Ind AS-7 " Statement of Cash Flows ".  
2 Figures in the bracket indicate cash out flow.

**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  
UDIN : 20032371AAAAAA8852

**Place :** Mumbai  
**Date :** 18th June, 2020

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

**Dr. Jimmy Mirchandani**  
Director  
DIN 00239021

**Dr. Rahul Mirchandani**  
Director  
DIN 00239057

**Statement of Changes in Equity for the year ended 31st March, 2020**

Note No. - 5

(Amounts in Rupees unless stated otherwise)

A	Equity Share Capital	Balance as at 31st March, 2019	Changes in Equity Share Capital during the year	Balance as at 31st March, 2020
		100,000	-	100,000

Note No. - 6

B	Other Equity	Retained Earnings	Items of Other Comprehensive Income	Total
			Re-measurement of net defined benefit plans	
	<b>Balance as at 31 March, 2019</b>	<b>7,628,613</b>	-	<b>7,628,613</b>
	Add / (Less) : Profit / (Loss) for the year	(59,597)	-	<b>(59,597)</b>
		<b>(59,597)</b>	-	<b>(59,597)</b>
	<b>Balance as at 31 March, 2020</b>	<b>7,569,016</b>	-	<b>7,569,016</b>
	<b>Balance as at 31 March, 2018</b>	<b>7,683,215</b>	-	<b>7,683,215</b>
	Add / (Less) : Profit / (Loss) for the year	<b>(54,602)</b>	-	<b>(54,602)</b>
		<b>(54,602)</b>	-	<b>(54,602)</b>
	<b>Balance as at 31 March, 2019</b>	<b>7,628,613</b>	-	<b>7,628,613</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

#### 1. Company Overview

Aries Agro Equipments 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 of Financial Statements

##### a. Statement of Compliance

The Ind AS Standalone Financial Statements comprising Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity, Cash Flow Statement, together with the Notes to accounts along with a summary of the significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2020 have been prepared in accordance with the Ind AS notified above.

##### b. Basis of Measurement - Historic Cost Convention

These Financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that is measured at fair value (refer accounting policy regarding financial instruments);
- Assets held for sale – measured at fair value less cost to sale;
- Defined benefit plans – plan assets measured at fair value

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

##### c. Functional and Presentation Currency

Items included in the Financial Statements of the entity are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). Indian Rupee is the Functional currency of the Company.

The Financial statements are presented in Indian Rupees, which is the Company's presentation currency.

##### d. Use of Estimates:

The preparation of Financial Statements in accordance with Ind - AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realized may differ from these estimates. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized and, if material, their effects are disclosed in the notes to the Financial Statements.

#### Estimates and assumptions are required in particular for:

- (i) Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalized. Useful life of tangible assets is based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful life is different from that prescribed in Schedule II, it is based on technical advice, taking into account the nature of the asset, estimated usage and operating conditions of the asset, past history of replacement and maintenance support.

An assumption also needs to be made, when the Company assesses, whether an asset may be capitalized and which components of the cost of the asset may be capitalized.

##### (ii) Recognition and measurement of defined benefit obligations:

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

##### (iii) Recognition of deferred tax assets:

A Deferred tax asset is recognized for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. The management assumes that taxable profits will be available while recognizing deferred tax assets.

##### (iv) Recognition and measurement of other provisions:

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions.

##### (v) Discounting of long-term financial liabilities

All financial liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities, which are required to be subsequently measured at amortized cost, interest is accrued using the effective interest method.

##### (vi) Determining whether an arrangement contains a lease:

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant lease hold improvements under taken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions.

- e. **Ind - AS 115 "Revenue from Contract with Customers:** The MCA had notified Ind - AS 115 "Revenue from Contract with Customers" in February 2015. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

### f. Current Versus Non Current Classification:

(i) The assets and liabilities in the Balance Sheet are based on current/ non – current classification. An asset as current when it is:

1. Expected to be realized or intended to be sold or consumed in normal operating cycle.
2. Held primarily for the purpose of trading.
3. Expected to be realized within twelve months after the reporting period, or
4. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non - current.

(ii) A liability is current when it is:

1. Expected to be settled in normal operating cycle
2. Held primarily for the purpose of trading
3. Due to be settled within twelve months after the reporting period, or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are treated as non - current.

Deferred tax assets and liabilities are classified as non - current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

### 2.1 Significant Accounting Policies

#### A. Plant, Property & Equipment:

All the property, plant and equipments have been carried at value in accordance with the previous GAAP. The Company has elected these value as deemed cost at the date of transition to Ind AS.

Property, Plant & Equipment are stated at original cost net of tax/ duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. All costs, including finance costs incurred up to the date the asset is ready for its intended use.

When significant parts of property, plant and equipment are required to be replaced at intervals, the company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly.

All the other repair and maintenance costs are recognized in the statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

Property, Plant & Equipment are eliminated from the financial statements either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment and gains and losses arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

Subsequent expenditure related to an item of Property, Plant & Equipment 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 Property, Plant & Equipment, 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 Plant, Property and Equipment 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.

#### B. Depreciation & Amortization:

a. Depreciation on property, plant & equipment is provided over the useful life of assets as specified in schedule II to the companies Act, 2013. In case of Property, plant & Equipment that are added/ disposed off during the year depreciation is provided on pro-rata basis with reference to the month of addition/ deletion.

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.

b. Depreciation methods, useful life and residual values are reviewed at each reporting date and adjusted if appropriate.

#### C. Intangible Assets :

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over the irrespective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The useful lives of intangible assets are assessed as either finite or infinite.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is considered to modify the amortized period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite useful life are amortized on straight line basis over the useful economic life and assessed for impairment whenever there is any indication that the intangible asset may be impaired.

Intangibles with indefinite useful life, if any are not amortized, but are tested for impairment annually, either individually or at the cash generating unit level.

#### D. Borrowing Costs:

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset (net of income earned on temporary deployment of funds) are capitalized as

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

a part of the cost of such assets. Borrowing cost consists of interest, other cost incurred in connection with borrowings of fund and exchange differences to the extent regarded as an adjustment to the borrowing cost. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are charged to the Statement of Profit and Loss.

### E. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

#### Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Contingent rents are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

### F. Inventories and WIP:

Inventories are valued at the lower of cost and net realizable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

#### a. 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. Raw material, store and spares: Cost on FIFO basis or net realizable value, whichever is lower.

#### b. Work-in-progress and finished goods:

Lower of cost and net realizable value. Cost includes direct materials and labour and apportion of manufacturing overheads based on normal operating capacity.

#### c. 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.

- d. Waste and scrap are not separately valued being insignificant in value.
- e. 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.

### G. Foreign Currency Transactions and Balances:

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. Exchange difference that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the Statement of Profit and Loss in the period in which they arise.

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.

### 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, regardless of when the payment is being made.

The specific recognition criteria described below must also be met before revenue is recognized.

#### a. Sale of products:

As stated in Ind AS 115, Revenue from sale of products is recognized when the entity transfers the control of goods and services to customers at an amount that the entity expects to be entitled. The Company collects Goods and Service Tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied net of discounts, returns etc. Ind As 115 is based on a five step model as mentioned below.

1. Identify the contract with customer
2. Identify the performance obligation
3. Determine the transactions price
4. Allocate transaction price
5. Recognize Revenue when (or as) performance obligations are satisfied.

#### b. Interest Income

Interest income is recognized on accrual basis at applicable interest rates. For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR), which is the rate

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

that exactly discounts the estimated future cash payment or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial assets interest income is included in other income in the statement of profit & loss.

**c. Dividend income:**

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

**I. Expenditure on new projects and substantial expansion:**

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is directly related to construction or is incidental there to. 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 capitalized. As regards indirect expenditure on expansion, only that portion is capitalized which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalized only if they increase the value of the asset beyond its original standard of performance.

**J. Employee benefits:**

**a. Short Term Employee Benefits:**

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

Short - term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**b. Post-Employment Benefits:**

**(i) Defined Contribution Plans:**

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.

**(ii) Defined Benefit Plans:**

The employees' gratuity fund scheme is the Company's defined benefit plan. The present value of the obligation under the said defined benefit plan is determined on the basis of actuarial valuation from an independent actuary using the Projected Unit Credit Method.

The gratuity benefit of the Company is administered by a trust formed for this purpose through the group gratuity scheme.

Remeasurements comprising of actuarial gain and losses, the effect of the asset ceiling and the return on plan assets (excluding amount included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur.

Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

Past service cost is recognized in the statement of profit & loss in the period of plan amendment.

Net interest is calculated by applying the discounted rate to the net defined benefit liability or asset.

**c. Other Long Term Employee Benefits:**

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. Taxes:**

**a. Current Income Tax:**

(i) Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.

Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of the previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognized amounts; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(ii) Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit & loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

**b. Deferred taxes:**

- (i) Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at the reporting date.
- (ii) The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognized to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted at the balance sheet date.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in the income statement. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

**c. Sales/ value added taxes**

Expenses and assets are recognized net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of tax included The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

**d. Minimum Alternate Tax**

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.

**L. Segment reporting**

**Identification of segments**

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

**M. Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

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.

**N. Impairment of Non Financial Assets**

As at each balance sheet date, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognized in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, if any, the Company determines the recoverable amount and impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In the case of an individual asset, at the higher of the fair value less cost to sell and the value in use; and
- In the case of cash generating unit (a group of assets that generate identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset.

In determining fair value less cost disposal, recent market transaction is taken into account.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

Intangible assets with indefinite useful lives are tested for impairment annually, as appropriate, and when circumstances indicate that the carrying value may be impaired.

**O. Provisions, Contingent Liabilities and Contingent Assets:**

A provision is recognized it as a result of a past event the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are not recognized but disclosed in the Financial Statements when economic inflow is probable.

- a. Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

- i. the Company has a present obligation as a result of past event,
- ii. a probable outflow of resources is expected to settle the obligation; and
- iii. the amount of obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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.

- b. Contingent liabilities are disclosed in case of:
  - i. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation,
  - ii. a present obligation arising from past events, when no reliable estimate is possible,
  - iii. a possible obligation arising from past events where the probability of outflow of resources is not remote.

- c. Contingent assets are neither recognized nor disclosed. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions and Contingent Liabilities are recognized / disclosed after an evaluation of the facts and legal aspects and the amounts are reviewed on the Balance Sheet date.

### P. Non-current assets held for sale:

Non Current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Non Current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

The criteria for held for sale/ distribution classification is regarded met only when the assets are available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated,
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale to owners are not depreciated or amortized.

### Q. Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### a. Financial Assets:

##### (i) Classification

Financial Assets comprises of Investments in Equity and Debt securities, Trade Receivables, Cash and Cash equivalents, Borrowings and other Financial Assets.

##### (ii) Initial recognition and measurement

All financial assets is recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial Assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

##### (iii) Subsequent Recognition

#### a. Financial Assets measured at amortized cost

Financial assets are measured at amortized cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are measured at amortized cost using the effective interest rate (EIR) method.

The EIR amortization is recognized as finance income in the Statement of Profit and Loss.

The Company while applying the above criteria has classified the following at Amortized Cost:

- a) Investment in Debt Instruments

#### b. Financial Assets measured at fair value through other comprehensive income (FVTOCI)

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

#### c. Financial Assets measured at fair value through profit or loss (FVTPL)

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognized in profit or loss.

#### d. Investment in Subsidiary and Associates

Investment in equity instruments of Subsidiaries and Associates are measured at cost. Provision for Impairment loss on such investment is made only when there is a diminution in value of the investment, which is other than temporary.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

**e. Investment in Debt Instruments**

A debt instrument is measured at amortized cost or at FVTPL. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

**(iv) De-recognition of Financial Assets:**

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

**b. Financial Liabilities:**

**(i) Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and, in the case of loans, borrowings, and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, security deposits and other deposits.

**(ii) Subsequent measurement:**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity.

All other changes in fair value of such liability are recognised in the statement of profit or loss.

**(iii) Loans and Borrowings:**

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings

**(iv) Derecognition of Financial Liabilities:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

**R. Earnings Per Share:**

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.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares, that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

**S. Investments:**

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

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

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

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

(Amounts in Rupees unless stated otherwise)

3 CASH AND CASH EQUIVALENTS	As at 31st March, 2020	As at 31st March, 2019
Balance with Banks in Current Accounts	2,080,713	2,155,110
<b>Total</b>	<b>2,080,713</b>	<b>2,155,110</b>

4 OTHER CURRENT ASSETS	As at 31st March, 2020	As at 31st March, 2019
<b>(Un-secured and Considered Good)</b>		
Advances to Related Parties	5,918,635	5,918,635
Other Advances	5,505	5,505
Security Deposits	78,000	78,000
<b>Total</b>	<b>6,002,140</b>	<b>6,002,140</b>

5 EQUITY SHARE CAPITAL	As at 31st March, 2020	As at 31st March, 2019
<b>Authorised Share Capital</b>		
10,000 Equity Shares of Rs. 10/- each	100,000	100,000
	100,000	100,000
<b>Issued, Subscribed and Fully Paidup</b>		
10,000 (Previous Year 10,000) Equity Shares of Rs. 10/- each.	100,000	100,000
	100,000	100,000

5.1 Reconciliation of the number of **Equity Shares** :

Particulars	As at 31st March 2020	As at 31st March 2019
Equity Shares at the beginning of the year	10,000	10,000
Add :- Issued during the year	-	-
Less :- Shares cancelled during the year	-	-
Equity Shares at the end of the year	<b>10,000</b>	<b>10,000</b>

5.2 **List of Shareholder's holding more than 5 % Shares in the Company :**

Name of the Share Holder	No of Shares	As at 31st March, 2020 % of Holding	No of Shares	As at 31st March, 2019 % of Holding
(i) Aries Agro Limited	10,000	100.00%	10,000	100.00%
	10,000	100.00%	10,000	100.00%

7 CURRENT BORROWINGS	As at 31st March, 2020	As at 31st March, 2019
<b>Un-Secured Borrowings</b>		
From Related Parties	68,414	37,013
<b>Total</b>	<b>68,414</b>	<b>37,013</b>

7.1 Un-Secured Borrowings includes amount due to Directors



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

8 TRADE PAYABLES	As at 31st March, 2020	As at 31st March, 2019
Trade Payables - Micro, Small & Medium Enterprises	23,600	70,900
Trade Payables - Others	301,823	300,724
<b>Total</b>	<b>325,423</b>	<b>371,624</b>

8.1 There are no Micro and Small Enterprises to whom Company owes dues, which are outstanding for more than 45 days as at 31st March, 2020. 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.

8.2 All Trade Payables are non-interest bearing and payable or settled within normal operating cycle of the Company.

9 OTHER CURRENT LIABILITIES	As at 31st March, 2020	As at 31st March, 2019
Security Deposits	20,000	20,000
<b>Total</b>	<b>20,000</b>	<b>20,000</b>

10 OTHER EXPENSES	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>Other Administration Expenses</b>		
Audit Fees	17,700	17,700
Bank Charges	28,497	25,302
Legal & Professional Fees	7,000	7,000
Rent, Rates & Taxes	6,400	4,600
<b>Total</b>	<b>59,597</b>	<b>54,602</b>

### 10.1 Other Disclosures

#### a) Auditors Remuneration

Sr. No.	Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>1</b>	<b>Statutory Auditors</b>		
(i)	Audit Fee	17,700	18,150
(ii)	Taxation Matters	5,900	5,900
		<b>23,600</b>	<b>24,050</b>

### 11 EARNINGS PER SHARE (EPS)

The following is a reconciliation of the Equity Shares used in the computation of basic and diluted earnings per Equity Share :

Sr. No	Particulars	As At 31st March 2020	As At 31st March 2019
(i)	Issued Equity Shares	10,000	10,000
	<b>Weighted Average Shares outstanding - Basic and Diluted</b>	<b>10,000</b>	<b>10,000</b>

Net Profit available to Equity Shareholders of the Company used in the basic and diluted earnings per share was determined as follows:

Sr. No	Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
(i)	Profit and Loss after Tax attributable to Equity Shareholders	(59,597)	(54,602)
(ii)	Basic Earning per Equity Share	(5.96)	(5.46)
(iii)	Face Value of Equity Share	10	10

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

**12 RELATED PARTY DISCLOSURES**

Related Party Disclosures as per Ind AS 24 issued by the Institute of Chartered Accountants of India

(Amounts in Rupees unless stated otherwise)

<b>Part - A Details of Related Parties</b>				
<b>Sr. No.</b>	<b>Nature of Relationship</b>	<b>Name of the Related Party</b>	<b>Remarks</b>	
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 b) Dr. Rahul Mirchandani	a) Director b) Director	
3	Relatives of Key Management Personnel	<b>Name of the Key Management Personnel</b>	<b>Name of the Relative</b>	<b>Relationship</b>
		a) Dr. Jimmy Mirchandani	a) Mr. Akshay Mirchandani b) Mr. Amol Mirchandani c) Dr. Rahul Mirchandani	Son Son Brother
		b) Dr. Rahul Mirchandani	a) Mrs. Nitya Mirchandani b) Master Armaan Mirchandani c) Dr. Jimmy Mirchandani	Spouse Son Brother
4	Fellow Subsidiaries	a) Aries Agro Care Pvt Ltd b) Golden Harvest Middle East FZC c) Amarak Chemicals FZC	a) A wholly owned Subsidiary of Aries Agro Limited b) A Subsidiary of Aries Agro Limited c) 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		

<b>Part - B Details of Transactions with Related Parties</b>				
<b>Sr. No.</b>	<b>Category</b>	<b>Nature of Service</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>
1	Holding Company	Loan Given Loan Refund	<b>2,150,000</b> <b>2,150,000</b>	2,160,640 2,160,640
2	Key Management Personnel	Loan taken	<b>31,400</b>	-

<b>Part - C Balance Outstanding with Related Parties</b>				
<b>Category</b>	<b>Nature of Outstanding</b>	<b>Name of the Related Party</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
Group Company	Advance to Related Parties	Areis Agro Care Private Limited	<b>5,918,635</b>	5,918,635
Key Management Personnel	Unsecured Loans	Dr. Jimmy Mirchandani	<b>15,814</b>	15,814
		Dr. Rahul Mirchandani	<b>52,600</b>	21,200

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

**13. Current Assets, Loan & Advances and Provisions**

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

**14. Foreign Exchange Earnings & Outflow:**

During the year there was 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 31<sup>st</sup> March, 2020. 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. 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 Indian Accounting Standard (Ind AS) 108 – Operating Segments' notified pursuant to the Companies (Indian Accounting Standard) Rules, 2016 (as amended).

**17. Deferred Tax**

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.

18. The Previous years figures are re-arranged or re-grouped wherever is necessary.

**As per our report of even date**

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

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

**Dr. Jimmy Mirchandani**  
Director  
DIN 00239021

**Kirti D. Shah**  
Proprietor  
Membership No 32371  
UDIN : 20032371AAAAAA8852

**Dr. Rahul Mirchandani**  
Director  
DIN 00239057

**Place :** Mumbai

**Date :** 18th June, 2020

**NOTICE OF 1<sup>ST</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the 1<sup>st</sup> Annual General Meeting of the Members of **MIRABELLE AGRO MANUFACTURING PRIVATE LIMITED** will be held on Friday, 25<sup>th</sup> September, 2020 at 12.00 Noon at the Registered office of the Company at Aries House, Plot No. 24, Deonar, Govandi (East), Mumbai-400 043 to transact the following Ordinary Business:-

1. To receive, consider, approve and adopt the Audited Financial Statements of the Company for the period ended on 31<sup>st</sup> March, 2020, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint Director in place of Dr. Rahul Mirchandani(DIN 00239057) who retires by rotation and being eligible offers himself for re-appointment.
3. **Appointment of Auditors**

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

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. Urmit Shah & Co., Chartered Accountant(Firm Regn No. 140977W -Membership No. of Proprietor Mr. Urmit Shah-152658), be and is hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Fifth Annual General Meeting of the Company to be held in the year 2025 at such Remuneration plus Service Tax, Out-of-Pocket, Travelling Expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

**By Order of the Board  
For Mirabelle Agro Manufacturing Private Limited**

**Dr. Rahul Mirchandani  
Director  
DIN: 00239057**

**Place: Mumbai  
Date: 16<sup>th</sup> June, 2020**

**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.

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

**Item No. 3**

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

M/s. Urmit Shah & Co., Chartered Accountant(Firm Regn No. 140977W-Membership No. of Proprietor Mr. Urmit Shah-152658), the Statutory Auditors of the Company, who were appointed as the First Auditors of the Company by the Board of Directors in their Meeting held on 31<sup>st</sup> December, 2019 hold Office till the conclusion of the ensuing Annual General Meeting.

The Board of Directors at their Meeting held on 16<sup>th</sup> June, 2020 have recommended appointment of M/s. Urmit Shah & Co., Chartered Accountant(Firm Regn No. 140977W-Membership No. of Proprietor Mr. Urmit Shah-152658) as Company's Statutory Auditor to audit accounts for another term of 5(Five) Years from the conclusion of ensuing Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2025.

As per the requirement of the Act, M/s. Urmit Shah & Co., Chartered Accountant(Firm Regn No. 140977W-Membership No. of Proprietor Mr. Urmit Shah-152658), have consented and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act and it is not disqualified to be appointed as Auditor in terms of the provisions of Section 139 and 141 of the Act and the Companies (Audit and Auditors) Rules, 2014.

Accordingly, approval of the Members is being sought for proposal contained in the Resolution set out at item No. 3 of the Notice.

The Board commends the resolution at Item No.3 for approval by the Members.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.3 of the Notice.

## BOARD'S REPORT

To,

The Members of

Mirabelle Agro Manufacturing Private Limited.

Your Directors present their First Annual Report together with Audited Financial Statements of the Company for the period ended on 31<sup>st</sup> March, 2020.

### 1. FINANCIAL RESULTS :

During the period from 26<sup>th</sup> December, 2019 to 31<sup>st</sup> March, 2020, under review, the Company did not do any business and did not have any Income. But the Company has incurred Expenses of Rs. 44,237/-.

### 2. CURRENT STATUS

The Company has started the process of getting the requisite Registrations and is expected to start its business activities shortly.

### 3. DIVIDEND AND TRANSFER TO RESERVE :

Since the Company has incurred losses the question of Dividend and Transfer to Reserve does not arise.

### 4. DEPOSITS :

The Company has not accepted any Deposits from the Public.

### 5. PARTICULARS OF EMPLOYEES & RELATED DISCLOSURES

The Company did not have any Managing Directors or Executive/Whole Time Directors or any Employees who were in receipt of remuneration in excess of the provisions under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014,

### 6. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186

The Company has not given any Loans or given Guarantees or made Investments in terms of provisions of Section 186 of the Companies Act, 2013

### 7. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

As there was no business activity in the Company during the period ended 31<sup>st</sup> March, 2020, there were no Contracts or Arrangements with Related Parties except the advance given by the group company to meet with the operational expenses.

### 8. RISK MANAGEMENT POLICY AND ITS IMPLEMENTATION

Since there is no business activity in the Company and there is no risk which may affect the Company and as the Company is an Un-listed Company no Risk Management Policy has been framed.

### 9. CORPORATE SOCIAL RESPONSIBILITY

The Company is not covered within provisions of Section 135 of the Companies Act, 2013 and rules framed thereunder.

### 10. MATERIAL ORDERS PASSED

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

### 11. INTERNAL FINANCIAL CONTROL

The Company has in place adequate Internal Financial Controls commensurate with the size of the Company with reference to Financial Statements.

### 12. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREGIN EXCHANGE EARNINGS AND OUTGO :

Since the Company did not have any business activity and there were no Foreign Exchange earning, expenditure or outflow, the Particulars in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, as required to be disclosed by the Companies(Accounts) Rules, 2014, are not applicable.

### 13. DIRECTORS & KEY MANAGERIAL PERSONNEL:

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Dr. Rahul Mirchandani (DIN 00239057) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Accordingly his re-appointment forms part of the Notice of ensuing AGM.

The Company does not have any Managing Directors or Executive/Whole Time Directors or any Key Managerial Personnel..

The Company is not required to appoint Independent Director within provisions of Section 149 of the Companies Act, 2013 and rules framed thereunder.

### 14. MEETINGS OF BOARD

During the period from 26<sup>th</sup> December, 2019 to 31<sup>st</sup> March 2020, Two Meetings of the Board of Directors were held during the year on 31.12.2019 and 11.02.2020.

### 15. AUDITORS :

M/s. Urmit Shah & Co., Chartered Accountant(Firm Regn No. 140977W-Membership No. of Proprietor Mr. Urmit Shah-152658), were appointed as the First Auditors of the Company by the Board of Directors in their Meeting held on 31<sup>st</sup> December, 2019 hold Office till the conclusion of the ensuing Annual General Meeting.

The Board of Directors at their Meeting held on 16<sup>th</sup> June, 2020 have recommended appointment of M/s. Urmit Shah & Co., Chartered Accountant(Firm Regn No. 140977W-Membership No. of Proprietor Mr. Urmit Shah-152658) as Company's Statutory Auditor to audit accounts for another term of 5(Five) Years from the conclusion of ensuing Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2025.

As per the requirement of the Act, M/s. Urmit Shah & Co., Chartered Accountant(Firm Regn No. 140977W-Membership No. of Proprietor Mr. Urmit Shah-152658), have consented and confirmed that their appointment, if made, would be within the

limits specified under Section 141(3)(g) of the Act and it is not disqualified to be appointed as Auditor in terms of the provisions of Section 139 and 141 of the Act and the Companies (Audit and Auditors) Rules, 2014.

Accordingly, approval of the Members is being sought for proposal contained in the Resolution set out at item No. 3 of the Notice.

### 16. AUDITORS' REPORT

The Statutory Auditors' Report does not contain any qualification, reservation or adverse remark. Further that there was no fraud reported by Auditors under sub-section (12) of Section 143 of the Companies Act, 2013 other than those reportable to the Central Government.

### 17. DIRECTORS' RESPONSIBILITY STATEMENTS

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

1. in preparation of the Annual Accounts, applicable Accounting Standards have been followed and that there are no material departures
2. they have selected such Accounting Policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the State of the Affairs of the Company at the end of the financial year and of the Loss of the Company for that year;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. they have prepared the Annual Accounts on a 'going concern' basis.
5. they have laid down Internal Financial Controls to be followed by the Company and such Internal Financial Controls are adequate and operating effectively;
6. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 18. EXTRACTS OF ANNUAL RETURN

As provided under Section 92(3) of the Companies Act, 2013 the Extract of the Annual Return is given in **Annexure-I** in prescribed Format MGT-9, which forms part of this Report. The Company does not have any web site.

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

No material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this Report.

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

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

### 21. MAINTENANCE OF COST RECORDS

The Company is not required to maintain Cost Records as specified under Section 148 of the Companies Act, 2013 and the Rules framed thereunder.

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

The Company does not have any Employee, hence the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder, are not applicable,

### 23. ACKNOWLEDGEMENT :

Your Directors would like to express their grateful appreciation for the co-operation and assistance received from the Holding Company i.e. M/S Aries Agro Limited and other related agencies.

By Order of the Board  
For Mirabelle Agro Manufacturing Private Limited

Dr. Rahul Mirchandani  
Director  
DIN: 00239057

Mrs. Nitya Mirchandani  
Director  
DIN: 06882384

Place : Mumbai  
Date : 16<sup>th</sup> June, 2020

**FORM NO. MGT – 9**  
**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended 31.03.2020**

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

**I. REGISTRATION AND OTHER DETAILS**

CIN	U24303MH2019PTC335076
Registration Date	26 <sup>th</sup> December, 2019
Name of the Company	MIRABELLE AGRO MANUFACTURING PRIVATE LIMITED
Category / Sub-Category of the Company	COMPANY LIMITED BY SHARES /INDIAN NON-GOVERNMENT COMPANY
Address of the Registered Office and contact details	Aries House, Plot No. 24, Deonar, Govandi(E), Mumbai-400 043 Phone No. 022 2556 4052/53
Whether listed Company	NO
Name, address and contact details of Registrar and Transfer Agent, if any	<b>Not Applicable</b>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No	Name and Description of main products / Services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Micro Nutrient Fertilizers	20129	0.00

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	%tage of Shares held	Applicable Section
1.	Aries Agro Limited	Aries House, Plot No. 24, Deonar, Govandi(E), Mumbai-400 043	L99999MH1969PLC014465	Holding	100	2(46)

## Mirabelle Agro Manufacturing Private Limited

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

#### (i) Category wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2019				No. of Shares held at the end of the year 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.PROMOTERS</b>									
<b>(1) Indian</b>									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	10000	10000	100	0	10000	10000	100	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (1):-</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100</b>	<b>0</b>
<b>(2) Foreign</b>	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A) (2)</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100</b>	<b>0</b>
<b>B. PUBLIC SHAREHOLDING</b>									-
<b>1. Institutions</b>									-
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

NOT  
APPLICABLE



## Mirabelle Agro Manufacturing Private Limited

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2019				No. of Shares held at the end of the year 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>	NOT APPLICABLE								
<b>a) Bodies Corp.</b>									
i) Indian					0	0	0	0	
ii) Overseas					0	0	0	0	
<b>b) Individuals</b>									
i) Individual Shareholders holding nominal share capital upto ` 1 lakh					0	0	0	0	
ii) Individual Shareholders holding nominal share capital in excess of ` 1 lakh					0	0	0	0	
c) Others Directors and Relatives					0	0	0	0	
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property					0	0	0	0	
ii) Other Foreign Nationals					0	0	0	0	
iii) Foreign Bodies					0	0	0	0	
iv) NRI / OCBs					0	0	0	0	
v) Clearing Members / Clearing House					0	0	0	0	
vi) Trusts					0	0	0	0	
vii) Limited Liability Partnership					0	0	0	0	
viii) Foreign Portfolio Investor (Corporate)					0	0	0	0	
ix) Qualified Foreign Investor					0	0	0	0	
<b>Sub-Total (B)(2):</b>					0	0	0	0	
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>					0	0	0	0	
<b>C. SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>					0	0	0	0	
<b>Grand Total (A+B+C)</b>					<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100.00</b>	-

(ii) **Shareholding of Promoters**

Shareholder's Name	No. of Shares held at the beginning of the year 01.04.2019			No. of Shares held at the end of the year 31.03.2020			% Change during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Aries Agro Limited	NOT APPLICABLE			10000	100	0	0
<b>Total</b>				<b>10000</b>	<b>100</b>	<b>0</b>	<b>0</b>

(iii) **Change in Promoters' Shareholding**

There is no change in Promoter's Shareholding between 26.12.2019 to 31.03.2020.

## Mirabelle Agro Manufacturing Private Limited

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

Sr. No	Shareholder's Name *	Shareholding at the beginning of the year 01.04.2019		Shareholding at the end of the year 31.03.2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Aries Agro Limited			10000	100
	<b>Total</b>	<b>NOT APPLICABLE</b>			

(v) **Shareholding of Directors and Key Managerial Personnel:**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019		Cumulative Shareholding during the year		Date of change in shareholding	Reason for change
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		
	<b>Directors</b>						
1		<b>NIL</b>					

### V. INDEBTEDNESS

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

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
1. Principal Amount	NIL	NIL	NIL	NIL
2. Interest Due but not Paid	NIL	NIL	NIL	NIL
3. Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total(1+2+3)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
Change in Indebtedness during the Financial Year				
1. Addition	NIL	NIL	NIL	NIL
2. Reduction	NIL	NIL	NIL	NIL
<b>Net Change</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
Indebtedness at the end of the Financial Year				
1. Principal Amount	NIL	NIL	NIL	NIL
2. Interest Due but not Paid	NIL	NIL	NIL	NIL
3. Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total(1+2+3)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

*The Company does not have any Managing Director/Executive Director/Whole Time Director and hence question of payment of Remuneration does not arise.*

**B. Remuneration to other Directors:**

*No Remuneration has been paid to Non-Executive Directors.*

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

*The Company does not have any Key Managerial Personnel other than Managing Director/ Executive Director/Whole Time Director hence no Remuneration has been paid*

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

There were no penalties, punishment or compounding of offences during the period ended 31<sup>st</sup> March, 2020

**For Mirabelle Agro Manufacturing Private Limited**

**Dr. Rahul Mirchandani**  
**Director**  
**DIN: 00239057**

**Mrs. Nitya Mirchandani**  
**Director**  
**DIN: 06882384**

Place : Mumbai  
 Date : 16<sup>th</sup> June, 2020

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF MIRABELLE AGRO MANUFACTURING PRIVATE LIMITED**

#### **Report on the Ind AS Financial Statements**

##### **Opinion**

We have audited the accompanying Ind AS Financial Statements of Mirabelle Agro Manufacturing Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Changes in Equity, the Statement of Profit and Loss (including Other Comprehensive Income) and the Statement of Cash Flows for the year ended on that date, notes to the Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Indian Accounting Standards (the "Ind AS") prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs ( financial position) of the Company as at March 31,2020, the changes in equity, its profit ( financial performance including other comprehensive income) and cash flows for the year ended on that date.

##### **Basis for Opinion**

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing (SA) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further prescribed in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

##### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There are no key audit matters to communicate in our report.

##### **Information Other than the Ind AS Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for preparation of other information. The other information comprises information included in the Boards' Report including Annexures to Boards' Report but does not include the Ind AS Financial Statements and our auditor's report thereon. The Other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Other information, if, we conclude that there is a material misstatement therein, we are required to communicate the matters to those charged with governance

##### **Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act,2013 ("the Act") with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of state of affairs ( financial position), changes in equity, profit or loss (financial performance including other comprehensive income) and cash flows and of the company of in accordance with the accounting principles generally accepted in India, including the Accounting Standards ("Ind AS") prescribed under Section 133 of the Act, read with Rules 7 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

##### **Auditor's Responsibilities for the Audit of Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3) (i) of Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to Ind AS Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Report on Other Legal and Regulatory Requirements

- (i) As required by the Companies (Auditors' Report) Order, 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of the Section 143 of the Act, we give in "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.
- (ii) As required by sub-section (3) of the section 143 of the Act, we report that :
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss and, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Ind AS Financial Statement comply with the Indian Accounting Standards referred under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended,
- (e) On the basis of written representations from the Directors, none of the Directors is disqualified as on March 31, 2020, from being appointed as a Director u/s 164(2) of the Companies Act, 2013;
- (f) With respect to the adequacy of the internal financial controls with reference to Ind AS Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Further, our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over with reference to Ind AS Financial Statements;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the provisions of Section 197 read with Schedule V of the Act are not applicable to the Company as no managerial remuneration has been incurred by the Company.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has no pending litigations on its financial position- Refer note 16 to the Ind AS Financial Statements;
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer note 17 to the Ind AS Financial Statements;
- (iii) There were no amounts which were required to be transferred to Investor Education and Protection Fund by the Company – Refer note 18 to the Ind AS Financial Statements.

**For URMIT SHAH & CO.**  
**Chartered Accountants**  
**Firm Registration No.: 140977W**

**Urmit Shah**  
**Proprietor**  
**Membership No.: 152658**  
**UDIN : 20152658AAAAAU3829**

**Place: Mumbai**  
**Date: 16<sup>th</sup> June, 2020**

### ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE INDAS FINANCIAL STATEMENTS OF MIRABELLE AGRO MANUFACTURING PRIVATE LIMITED

(Referred to in paragraph (i) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of the Company)

We report that:

- i) (a) The Company does not own any fixed assets and hence the clause of maintaining proper records to show full particulars, including quantitative details and situation, of all fixed assets is not applicable to the company.
- (b) According to the information and explanations given to us the Company does not own any fixed assets and hence the clause with respect to physical verification during the year by the management is not applicable to the company.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the Company does not hold any title deed in case of leasehold land covered under the head Investment Property.
- ii) The Company does not hold any inventory and hence the clause with respect to physical verification by the management during the year is not applicable.
- iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships and other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, paragraphs 3(iii) (a), (b) and (c) of the Order are not applicable.
- iv) In our opinion and according to information and explanations given to us, in respect of loans and investments, guarantees and security, the provisions of section 185 and 186 of the Act have been complied with.
- v) According to the information and explanations given to us, the Company has not accepted deposits from the public in terms of provisions of Sections 73 to 76 of the Companies Act, 2013.
- vi) According to the information and explanations given to us, pursuant to the rules prescribed by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, the Company is not required to maintain any cost records.
- vii) (a) According to the information and explanations given to us and the records of the Company, the Company has no statutory dues including provident fund, employees state insurance, income tax, Goods and Service tax, value added tax, cess and other material statutory dues to be deposited as applicable with appropriate authorities.
- According to the information and explanations given to us, there were no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, Goods and Service Tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues outstanding as at March 31, 2020 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of records of the company, there were no amounts with respect to income tax, value added tax, duty of excise and duty of custom which have not been deposited with the appropriate authorities on account of any dispute as at March 31, 2020.
- viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has neither availed any loans nor made borrowings from financial institutions, banks or Government as at the balance sheet date. The Company has not issued debentures. Hence, this clause 3 (viii) of the Order pertaining to default is not applicable to the Company.
- ix) In our opinion and according to the information and explanations given to us, on an overall basis the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Further, no terms loans were taken during the year.
- x) According to the information and explanations given to us and on the basis of representation of the management which we have relied upon, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) According to the information and explanations given to us and on the basis of the records, no managerial remuneration has been paid within the provisions of section 197 read with Schedule V to the Companies Act.
- xii) Since the Company is not a nidhi company, this clause is not applicable to the Company.
- xiii) According to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of the Act as applicable and the details have been disclosed in the Ind AS Financial Statements as required by the applicable Indian Accounting Standards.
- xiv) The Company has not made any preferential allotment or private allotment shares or fully or partly convertible debentures during the year under review.
- xv) The Company has not entered into any non-cash transactions with directors or persons connected with directors.
- xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934.

**For URMIT SHAH & CO.**  
**Chartered Accountants**  
**Firm Registration No.: 140977W**

**Urmit Shah**  
**Proprietor**  
**Membership No.: 152658**  
**UDIN : 20152658AAAAAU3829**

**Place: Mumbai**  
**Date: 16<sup>th</sup> June, 2020**

### **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MIRABELLE AGRO MANUFACTURING PRIVATE LIMITED**

(Referred to in paragraph (ii) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members the Company)

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

We have audited the internal financial controls with reference to Ind AS Financial Statements of Mirabelle Agro Manufacturing Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Ind AS Financial Statements were established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls with reference to Ind AS Financial Statements**

A company's internal financial control with reference to Ind AS Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Ind AS Financial Statements includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS Financial Statements.

#### **Inherent Limitations of Internal Financial Controls with reference to Ind AS Financial Statements**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls with reference to Ind AS Financial Statements were operating effectively as at March 31, 2020, based on the internal control with reference to Ind AS Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For URMIT SHAH & CO.  
Chartered Accountants  
Firm Registration No.: 140977W**

**Urmit Shah  
Proprietor  
Membership No.: 152658  
UDIN : 20152658AAAAAU3829**

**Place: Mumbai  
Date: 16<sup>th</sup> June, 2020**

# Mirabelle Agro Manufacturing Private Limited

## Balance Sheet as on 31st March, 2020

(Amounts in Rupees unless stated otherwise)

Particulars	Note Nos.	As at 31st March, 2020
<b>I. ASSETS</b>		
(1) <b>Current Assets</b>		
(a) Financial Assets		
(i) Cash & Cash Equivalents	3	70,081
		<b>70,081</b>
<b>TOTAL</b>		<b>70,081</b>
<b>II. EQUITY AND LIABILITIES</b>		
(1) <b>Equity</b>		
(a) Equity Share Capital	4	100,000
(b) Other Equity	5	(44,237)
		<b>55,763</b>
(2) <b>Current Liabilities</b>		
(a) Financial Liabilities		
(i) Trade Payables - Others	6	14,318
		<b>14,318</b>
<b>TOTAL</b>		<b>70,081</b>
<i>Summary of Significant Accounting Policies</i>	2.1	

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

As per our report of even date

For and on behalf of the **Board of Directors** of  
**Mirabelle Agro Manufacturing Private Limited**

**For Urmit Shah & Co**  
Chartered Accountants  
Firm Registration No. 140977W

**Dr. Rahul Mirchandani**  
**Director**  
DIN 00239057

**Urmit Shah**  
Proprietor  
Membership No 152658  
UDIN 20152658AAAAAU3829

**Mrs. Nitya Mirchandani**  
**Director**  
DIN 06882384

**Place :** Mumbai  
**Date :** 16th June, 2020

**Statement of Profit and Loss for the period ended 31st March, 2020**

Particulars	Note Nos.	Year Ended 31st March, 2020
<b>I. Expenses :</b>		
Other Expenses	7	44,237
<b>Total Expenses</b>		<b>44,237</b>
<b>II. Profit / (Loss) Before Tax</b>		<b>(44,237)</b>
<b>III. Profit / (Loss) after Tax</b>		<b>(44,237)</b>
<b>IV. Profit / (Loss) for the period</b>		<b>(44,237)</b>
<b>V. Other Comprehensive Income</b>		
(A) Items that will not be reclassified to Profit or Loss		-
(B) Items that will be reclassified to Profit or Loss		-
		-
<b>VI. Total Comprehensive Income for the period (IV + V)</b>		<b>(44,237)</b>
<b>VII. Earnings per Equity Share</b>	8	
(1) Basic & Diluted		<b>(4.42)</b>
<b>Summary of Significant Accounting Policies</b>	2.1	

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

As per our report of even date

For and on behalf of the **Board of Directors** of  
**Mirabelle Agro Manufacturing Private Limited**

**For Urmit Shah & Co**  
Chartered Accountants  
Firm Registration No. 140977W

**Dr. Rahul Mirchandani**  
**Director**  
DIN 00239057

**Urmit Shah**  
Proprietor  
Membership No 152658  
UDIN 20152658AAAAAU3829

**Mrs. Nitya Mirchandani**  
**Director**  
DIN 06882384

**Place :** Mumbai  
**Date :** 16th June, 2020



**Statement of Cash Flows for the period ended 31st March, 2020**

Sr. No.	Particulars	Year Ended 31st March, 2020
<b>A)</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
	Net Profit before tax as per Statement of Profit and Loss	(44,237)
	<b>Adjusted for :</b>	
	Finance Costs	302
	Operating Profit before Working Capital Changes	(43,935)
	<b>Adjusted for :</b>	
	Increase / (Decrease) in Trade Payables & Other Current Liabilities	14,318
	Cash Generated from Operations	(29,617)
	<b>Net Cash Flow from Operating Activities (A)</b>	(29,617)
<b>B)</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>	
	Movement in Short Term Loans and Advances & Other Assets	-
	<b>Net Cash Flow from / ( used in) Investing Activities (B)</b>	-
<b>C)</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>	
	Cash Proceeds from the Issue of Shares	100,000
		(302)
	<b>Net Cash ( used in ) / from financing activities (C)</b>	99,698
	Net Increase in Cash and Cash Equivalents	70,081
	Opening Balance of Cash and Cash Equivalents	-
	Closing Balance of Cash and Cash Equivalents	70,081

NOTE : 1 The above statement has been prepared under the indirect method set out in Ind AS-7 " Statement of Cash Flows " .

2 Figures in the bracket indicate cash out flow.

**As per our report of even date**

For and on behalf of the **Board of Directors** of  
**Mirabelle Agro Manufacturing Private Limited**

**For Urmit Shah & Co**  
Chartered Accountants  
Firm Registration No. 140977W

**Dr. Rahul Mirchandani**  
**Director**  
DIN 00239057

**Urmit Shah**  
Proprietor  
Membership No 152658  
UDIN 20152658AAAAAU3829

**Mrs. Nitya Mirchandani**  
**Director**  
DIN 06882384

**Place :** Mumbai  
**Date :** 16th June, 2020

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2020

### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

#### 1. Company Overview

Mirabelle Agro Manufacturing Private Limited (CIN U24303MH2019PTC335076) was incorporated on 26<sup>th</sup> December, 2019 as a Wholly Owned Subsidiary of Aries Agro Limited for carrying business as manufacturers and producers and dealers in Mineral Feed Supplements

#### 2. Basis of Preparation of Financial Statements

Ministry of Corporate Affairs notified roadmap to implement Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the companies (Indian Accounting Standards) (amendment) Rules, 2016. As per the said roadmap, the Company is required to apply Ind AS for the period ended 31<sup>st</sup> March, 2020 but the Incorporation date of the Company being 26<sup>th</sup> December, 2019, the Financial Statements has been prepared from 26<sup>th</sup> December, 2019 to 31<sup>st</sup> March, 2020.

##### a. Statement of Compliance

The Ind AS Standalone Financial Statements comprising Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity, Cash Flow Statement, together with the Notes to accounts along with a summary of the significant accounting policies and other explanatory information for the period ended 31<sup>st</sup> March, 2020 have been prepared in accordance with the Ind AS as notified above.

##### b. Basis of Measurement - Historic Cost Convention

These Financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that is measured at fair value (refer accounting policy regarding financial instruments);
- Assets held for sale – measured at fair value less cost to sale;
- Defined benefit plans – plan assets measured at fair value

All assets and liabilities has been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

##### c. Functional and Presentation Currency

Items included in the Financial Statements of the entity are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). Indian Rupee is the Functional currency of the Company.

The Financial statements are presented in Indian Rupees, which is the Company's presentation currency.

##### d. Use of Estimates:

The preparation of Financial Statements in accordance with Ind - AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realized

may differ from these estimates. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized and, if material, their effects are disclosed in the notes to the Financial Statements.

#### Estimates and assumptions are required in particular for:

(i) Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalized. Useful life of tangible assets is based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful life is different from that prescribed in Schedule II, it is based on technical advice, taking into account the nature of the asset, estimated usage and operating conditions of the asset, past history of replacement and maintenance support. An assumption also needs to be made, when the Company assesses, whether an asset may be capitalized and which components of the cost of the asset may be capitalized.

#### (ii) Recognition and measurement of defined benefit obligations:

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

#### (iii) Recognition of deferred tax assets:

A Deferred tax asset is recognized for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. The management assumes that taxable profits will be available while recognizing deferred tax assets.

#### (iv) Recognition and measurement of other provisions:

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions.

#### (v) Discounting of long-term financial liabilities

All financial liabilities are required to be measured at

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2020**

fair value on initial recognition. In case of financial liabilities, which are required to be subsequently measured at amortized cost, interest is accrued using the effective interest method.

**(vi) Determining whether an arrangement contains a lease:**

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease. At the inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for the other elements based on their relative fair values. If the Company concludes for a finance lease that, it is impracticable to separate the payments reliably, then an asset and a liability are recognized at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognized using the Company's incremental borrowing rate. In case of operating lease, the Company treats all payments under the arrangement as lease payments.

**e. Ind - AS 115 "Revenue from Contract with Customers**

The MCA had notified Ind - AS 115 "Revenue from Contract with Customers" in February, 2015. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

**f. Current Versus Non Current Classification:**

(i) The assets and liabilities in the Balance Sheet are based on current/ non – current classification. An asset as current when it is:

1. Expected to be realized or intended to be sold or consumed in normal operating cycle.
2. Held primarily for the purpose of trading.
3. Expected to be realized within twelve months after the reporting period, or
4. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non - current.

(ii) A liability is current when it is:

1. Expected to be settled in normal operating cycle
2. Held primarily for the purpose of trading
3. Due to be settled within twelve months after the reporting period, or

4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are treated as non - current.

Deferred tax assets and liabilities are classified as non - current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

**2.1 Significant Accounting Policies**

**A. Property, Plant & Equipment:**

Property, Plant & Equipment are stated at original cost net of tax/ duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. All costs, including finance costs incurred up to the date the asset is ready for its intended use.

When significant parts of property, plant and equipment are required to be replaced at intervals, the company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly.

All the other repair and maintenance costs are recognised in the statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

Property, Plant & Equipment are eliminated from the financial statements either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment and gains and losses arising from disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

Subsequent expenditure related to an item of Property, Plant & Equipment 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 Property, Plant & Equipment, 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 Plant, Property and Equipment 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.

**B. Depreciation & Amortization:**

a. Depreciation on property, plant & equipment is provided over the useful life of assets as specified in schedule II to the companies Act, 2013. In case of Property, plant & Equipment that are added/ disposed off during the year

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2020

depreciation is provided on pro-rata basis with reference to the month of addition/ deletion.

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.

- b. Depreciation methods, useful life and residual values are reviewed at each reporting date and adjusted if appropriate.

### C. Intangible Assets :

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortised over the irrespective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The useful lives of intangible assets are assessed as either finite or infinite.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is considered to modify the amortized period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite useful life are amortized on straight line basis over the useful economic life and assessed for impairment whenever there is any indication that the intangible asset may be impaired.

Intangibles with indefinite useful life, if any are not amortized, but are tested for impairment annually, either individually or at the cash generating unit level.

### D. Borrowing Costs :

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset (net of income earned on temporary deployment of funds) are capitalised as a part of the cost of such assets. Borrowing cost consists of interest, other cost incurred in connection with borrowings of fund and exchange differences to the extent regarded as an adjustment to the borrowing cost. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are charged to the Statement of Profit and Loss.

### E. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or

arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

### Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

### F. Inventories and WIP:

Inventories are valued at the lower of cost and net realizable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

#### a. 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. Raw material, store and spares: Cost on FIFO basis or net realizable value, whichever is lower.

#### b. Work-in-progress and finished goods :

Lower of cost and net realizable value. Cost includes direct materials and labour and apportionment of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

#### c. 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.

- d. Waste and scrap are not separately valued being insignificant in value.

- e. 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2020

### G. Foreign Currency Transactions and Balances:

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. Exchange difference that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the Statement of Profit and Loss in the period in which they arise.

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.

### 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, regardless of when the payment is being made.

The specific recognition criteria described below must also be met before revenue is recognized.

#### a. Sale of products:

As stated in Ind AS 115, Revenue from sale of products is recognized when the entity transfers the control of goods and services to customers at an amount that the entity expects to be entitled. The Company collects Goods and Service Tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied net of discounts, returns etc. Ind AS 115 is based on a five step model as mentioned below.

1. Identify the contract with customer
2. Identify the performance obligation
3. Determine the transactions price
4. Allocate transaction price
5. Recognize Revenue when (or as) performance obligations are satisfied.

#### b. Interest Income

Interest income is recognized on accrual basis at applicable interest rates. For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payment or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial assets interest income is included in other income in the statement of profit & loss.

### c. Dividend income:

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

### I. Expenditure on new projects and substantial expansion:

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is directly related to construction or is incidental there to. 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 capitalized. As regards indirect expenditure on expansion, only that portion is capitalized which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalized only if they increase the value of the asset beyond its original standard of performance.

### J. Employee benefits:

#### a. Short Term Employee Benefits:

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.

Short - term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### b. Post-Employment Benefits:

##### (i) Defined Contribution Plans:

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.

##### (ii) Defined Benefit Plans:

The employees' gratuity fund scheme is the Company's defined benefit plan. The present value of the obligation under the said defined benefit plan is determined on the basis of actuarial valuation from an independent actuary using the Projected Unit Credit Method.

The gratuity benefit of the Company is administered by a trust formed for this purpose through the group gratuity scheme.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2020

Remeasurements comprising of actuarial gain and losses, the effect of the asset ceiling and the return on plan assets (excluding amount included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur.

Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

Past service cost is recognised in the statement of profit & loss in the period of plan amendment.

Net interest is calculated by applying the discounted rate to the net defined benefit liability or asset.

### c. Other Long Term Employee Benefits:

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. Taxes :

### a. Current Income Tax:

- (i) Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.

Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of the previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

- (ii) Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit & loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable

tax regulations are subject to interpretation and establishes provisions where appropriate.

### b. Deferred taxes:

- (i) Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at the reporting date.
- (ii) The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognized to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted at the balance sheet date.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in the income statement. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

### c. Sales/ value added taxes

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

### d. Minimum Alternate Tax

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2020

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.

### L. 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.

### M. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

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.

### N. Impairment of Non Financial Assets

As at each balance sheet date, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognized in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, if any, the Company determines the recoverable amount and impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In the case of an individual asset, at the higher of the fair value less cost to sell and the value in use; and
- In the case of cash generating unit (a group of assets that generate identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset.

In determining fair value less cost disposal, recent market transaction are taken in to account.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

Intangible assets with indefinite useful lives are tested for impairment annually, as appropriate, and when circumstances indicate that the carrying value may be impaired.

### O. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognized if as a result of a past event the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are not recognized but disclosed in the Financial Statements when economic inflow is probable.

- a. Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if
  - i. the Company has a present obligation as a result of past event,
  - ii. a probable outflow of resources is expected to settle the obligation; and
  - iii. the amount of obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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.

- b. Contingent liabilities are disclosed in case of:
  - i. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation,
  - ii. a present obligation arising from past events, when no reliable estimate is possible,
  - iii. a possible obligation arising from past events where the probability of outflow of resources is not remote.
- c. Contingent assets are neither recognized nor disclosed.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions and Contingent Liabilities are recognized / disclosed after an evaluation of the facts and legal aspects and the amounts are reviewed on the Balance Sheet date.

### P. Non-current assets held for sale :

Non Current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Non Current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. This condition is regarded as met only when the sale is

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2020

highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

The criteria for held for sale/ distribution classification is regarded met only when the assets are available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programmer to locate a buyer and complete the plan has been initiated,
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale to owners are not depreciated or amortized.

### Q. Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### a. Financial Assets:

##### (i) Classification

Financial Assets comprises of Investments in Equity and Debt securities, Trade Receivables, Cash and Cash equivalents, Borrowings and other Financial Assets.

##### (ii) Initial recognition and measurement

All financial assets is recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial Assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

##### (iii) Subsequent Recognition

#### a. Financial Assets measured at amortized cost

Financial assets are measured at amortized cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give

rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are measured at amortized cost using the effective interest rate (EIR) method.

The EIR amortization is recognized as finance income in the Statement of Profit and Loss.

#### b. Financial Assets measured at fair value through other comprehensive income (FVTOCI)

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

#### c. Financial Assets measured at fair value through profit or loss (FVTPL)

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognized in profit or loss.

#### d. Investment in Subsidiary and Associates

Investment in equity instruments of Subsidiaries and Associates are measured at cost. Provision for Impairment loss on such investment is made only when there is a diminution in value of the investment, which is other than temporary.

#### e. Investment in Debt Instruments

A debt instrument is measured at amortized cost or at FVTPL. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

#### (iv) De-recognition of Financial Assets:

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

#### b. Financial Liabilities:

##### (i) Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans, borrowings, and payables, net of directly attributable transaction costs.

##### (ii) Subsequent measurement:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit



## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2020

risk is recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity.

All other changes in fair value of such liability are recognised in the statement of profit or loss.

### (iii) Loans and Borrowings:

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings

### (iv) Derecognition of Financial Liabilities:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

### R. Earnings Per Share:

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.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares, that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

### S. Investments:

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

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2020

(Amounts in Rupees unless stated otherwise)

<b>3</b>	<b>CASH AND CASH EQUIVALENTS</b>	<b>As at 31st March 2020</b>
	Balance with Banks in Current Accounts	70,081
	<b>Total</b>	<b>70,081</b>

<b>4</b>	<b>EQUITY SHARE CAPITAL</b>	<b>As at 31st March 2020</b>
	<b>Authorised Share Capital</b>	
	10,000 Equity Shares of Rs. 10/- each	100,000
		100,000
	<b>Issued, Subscribed and Fully Paidup</b>	
	10,000 Equity Shares of Rs 10/- each.	100,000
		100,000

4.1 Reconciliation of the number of **Equity Shares** :

<b>Particulars</b>	<b>As at 31st March 2020</b>
Equity Shares at the beginning of the year	-
Add :- Issued during the year	10,000
Less :- Shares cancelled during the year	-
Equity Shares at the end of the year	10,000

4.2 **List of Shareholder's holding more than 5 % Shares in the Company :**

Name of the Share Holder	No of Shares	As at 31st March, 2020 % of Holding
(i) Aries Agro Limited	10,000	100.00%
	10,000	100.00%

<b>5</b>	<b>OTHER EQUITY</b>	<b>Reatined Earnings</b>	<b>Items of Other Comprehensive Income</b>	<b>Total</b>
	<b>Balance as at 31 March, 2019</b>	-	-	-
	Add / (Less) : Profit / (Loss) for the year	(44,237)	-	(44,237)
	<b>Balance as at 31 March, 2020</b>	(44,237)	-	(44,237)

<b>6</b>	<b>TRADE PAYABLES</b>	<b>As at 31st March, 2020</b>
	Trade Payables - Micro & Small Enterprises	-
	Trade Payables - Others	14,318
	<b>Total</b>	<b>14,318</b>

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, 2020. 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.

6.2 All Trade Payables are non-interest bearing and payable or setteled within normal operating cycle of the Company.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2020

7	<b>OTHER EXPENSES</b>	Year Ended 31st March, 2020
	<b>Other Administration Expenses</b>	
	Audit Fees	7,500
	Bank Charges	302
	General Expenses	4,300
	Legal & Professional Fees	22,455
	Printing & Stationery	9,080
	Rent, Rates & Taxes	600
	<b>Total</b>	<b>44,237</b>

7.1 **Other Disclosures**

a) **Auditors Remuneration**

Sr. No.	Particulars	Year Ended 31st March, 2020
1	<b>Statutory Auditors</b>	
(i)	Audit Fee	7,500
		<b>7,500</b>

8 **EARNINGS PER SHARE (EPS)**

The following is a reconciliation of the Equity Shares used in the computation of basic and diluted earnings per Equity Share :

Sr. No	Particulars	Year Ended 31st March, 2020
(i)	Issued Equity Shares	10,000
	<b>Weighted Average Shares outstanding - Basic and Diluted</b>	<b>10,000</b>

Net Profit available to Equity Shareholders of the Company used in the basic and diluted earnings per share was determined as follows :

Sr. No	Particulars	Year Ended 31st March, 2020
(i)	Profit and Loss after Tax attributable to Equity Shareholders	(44,237)
(ii)	Basic Earning per Equity Share	(4.42)
(iii)	Face value of Equity Share	10

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2020**

**9 RELATED PARTY DISCLOSURES**

Related Party Disclosures as per Ind AS 24 issued by the Institute of Chartered Accountants of India

(Amounts in Rupees unless stated otherwise)

Part - A Details of Related Parties				
Sr. No.	Nature of Relationship	Name of the Related Party	Remarks	
1	Holding Company	a) Aries Agro Limited	a) Date of becoming Subsidiary of Aries Agro Limited is 26th December, 2019 (Incorporation Date)	
2	Key Management Personnel	a) Dr. Rahul Mirchandani b) Mrs. Nitya Mirchandani	a) Director b) Director	
3	Relatives of Key Management Personnel	<b>Name of the Key Management Personnel</b>	<b>Name of the Relative</b>	<b>Relationship</b>
		a) Dr. Rahul Mirchandani	a) Mrs. Nitya Mirchandani b) Mastar Armaan Mirchandani c) Dr. Jimmy Mirchandani	Spouse Son Brother
		b) Mrs. Nitya Mirchandani	a) Dr. Rahul Mirchandani b) Mastar Armaan Mirchandani	Spouse Son
4		Fellow Subsidiaries	a) Aries Agro Care Private Limited b) Aries Agro Equipments Private Limited c) Golden Harvest Middle East FZC	a) A wholly owned Subsidiary of Aries Agro Limited b) A wholly owned Subsidiary of Aries Agro Limited c) A Subsidiary of Aries Agro Limited
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	Period Ended 31st March, 2020
1	Holding Company	Loans taken	8,617
		Loan repaid	8,617

**10. Current Assets, Loan & Advances and Provisions**

- a) The current assets and loans and advances are approximately of the value stated, if realized in the ordinary course of business.
- b) The provision for all known liabilities is not in excess of the amounts considered reasonably necessary.
- c) The balances of sundry creditors, sundry debtors and loans and advances are subject to confirmation.

**11. Foreign Exchange Earnings & Outflow:**

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

**12. 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 31<sup>st</sup> March, 2020. 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 PERIOD ENDED 31<sup>st</sup> MARCH, 2020**

**13. Segment Reporting**

The Company has only one business segment "Mineral Feed Supplement" as its primary segment and hence disclosure of segment-wise information is not required under Indian Accounting Standard (Ind AS) 108 – Operating Segments' notified pursuant to the Companies (Indian Accounting Standard) Rules, 2016 (as amended).

14. All the accounting policies as mentioned above will be made applicable at relevant times.
15. In absence of probable 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.
16. The Company has no pending litigations.
17. The Company did not have any long term contract including derivative contracts for which there were any material foreseeable losses
18. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
19. This being the first year of the Company the Previous year's figures are not presented.

**As per our report of even date**

For and on behalf of the **Board of Directors** of  
**Mirabelle Agro Manufacturing Private Limited**

**For Urmit Shah & Co**  
Chartered Accountants  
Firm Registration No. 140977W

**Dr. Rahul Mirchandani**  
**Director**  
DIN 00239057

**Urmit Shah**  
Proprietor  
Membership No 152658  
UDIN 20152658AAAAAU3829

**Mrs. Nitya Mirchandani**  
**Director**  
DIN 06882384

**Place :** Mumbai

**Date :** 16th June, 2020









## Leading Sustainably: words to deeds

As we celebrate 50 years of transforming Indian agriculture, we are mindful of India, the planet, and communities we serve. India is home to one-sixth of all humanity. Technology and innovation, are key to creating food security for the future.

The Sustainable Development Goals (SDGs) are an ambitious universal development agenda agreed by all member states of the United Nations. They are an opportunity for all of us to improve our world collectively.

Aries Agro is proud to have aligned our business in furthering the SDGs in India. Our products directly improve India's food security. The growing number of harvests to meet the rising food demand over the past decades has led to the depletion of nutrients naturally present in the soil. When Aries Agro pioneered chelated micronutrients, it was a boon for Indian farmers and crop productivity.

Knowing how valuable technology can be, we encourage innovation in agriculture and allied fields to secure a better future for all.

This is a snapshot of how Aries Agro is furthering the SDGs through our own initiatives and spheres of influence especially in promoting farmers' welfare.

**Aries is aligned to**

**SUSTAINABLE  
DEVELOPMENT GOALS**

1 NO POVERTY



- Double farmer income by focusing more on income security.
- Increase farming efficiency.

6 CLEAN WATER AND SANITATION



- Aries Agro installed rural water filters and new washrooms for girls to access to clean sanitation.

2 ZERO HUNGER



- Increase farm productivity through systemic use of high-quality agro chemicals.
- Improve soil fertility through advanced products.

7 AFFORDABLE AND CLEAN ENERGY



- Hyderabad manufacturing run by Solar Power Generation System.
- Exclusive use of CNG for manufacturing at Chhatral ensuring a reduction in emissions and pollution.

3 GOOD HEALTH AND WELL-BEING



- Enhance nutritional levels of vegetables by improving nutrient uptake via Aries Agro's water-soluble formulations.
- Farmer insurance.

8 DECENT WORK AND ECONOMIC GROWTH



- Support progress of agricultural communities by improved yield.
- Make agriculture an engine of employment and pro-poor economic growth for small landowners and agrarian communities.

4 QUALITY EDUCATION



- Support meritorious students through various scholarship programs.
- Enable farmer education & skill-training through various training programs by Extension Teams.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



- Develop sound agronomic recommendations in the form of diverse formulations using chelation technology.
- Adopt and propagate hydroponic farming as a more efficient practice than traditional forms of agriculture.
- Expand agricultural knowledge and productivity assets across all 29 Indian states to improve livelihood opportunities.
- Improve manufacturing capabilities through automation.

5 GENDER EQUALITY



- Actively promote equal access to decent work and representation to women through advocacy, knowledge creation, on-ground interventions.
- In our Hyderabad and Chhatral units, women factory workers outnumber men.
- Mumbai head office has a greater ratio of women in empowered and important positions especially

## 10 REDUCED INEQUALITIES



- Partner with agronomists and agricultural research institutions globally.
- Conduct farmer education and skilling programs.
- Advocate good agricultural practices (GAP) to standardize agronomic practices and quality harvests.
- Improve farmer income and social protection schemes to allow resilient livelihoods.
- Champion India GAP to inspire farmers to employ integrated nutrient management (INM).

## 11 SUSTAINABLE CITIES AND COMMUNITIES



- Launched Aries Greencups and Growbox, an initiative to introduce urban and semi-urban children to the concept of growing their own food.
- A unique concept of soil-less cultivation taught to the students and school faculty. Participation by 19,000 school students in 20+ Indian states.
- Aries manufacturing plants operating on solar energy, solid fuels, and CNG.
- Support capacity building and infrastructure to promote urban agriculture to help establish household food security.

## 12 RESPONSIBLE CONSUMPTION AND PRODUCTION



- Aries Agro is phasing out plastics and foil-based packaging.
- Adopting new-age environmentally sustainable pack, using soluble sachets, paper bags and flexible packaging for liquid products.
- On route to achieve 'zero nonrecyclable plastics' consumption.
- Reduced dosage of our products versus traditional fertilizers promotes responsible farming.

## 13 CLIMATE ACTION



- Develop and implement educational and public awareness programs on climate change and its effects
- Facilitate knowledge-sharing and access to information on climate change via green agricultural practices and use of inert chemicals.
- Inform and educate farmers on reducing reliance on chemical fertilizers so as to prepare for-and adapt to-the impacts of climate change on yield and quality.

## 14 LIFE BELOW WATER



- Innovate and use raw materials to prevent bioaccumulation of contaminants in food chain through rivers and sea.
- Provide mineral nutrition for aquaculture.

## 15 LIFE ON LAND



- Encourage intake of nutrient-rich Aries products in the dairy industry to minimize environmental degradation and reduction in greenhouse gas emission.

## 16 PEACE, JUSTICE AND STRONG INSTITUTIONS



- Establish responsible corporate governance at all levels of the organisation.
- Set high standards of business conduct to build an effective institution that offers a stable, enabling work environment with zero man-days lost since inception due to labour unrest.
- Leverage resources and innovation to dutifully carry out responsibilities towards the societies we operate in.

## 17 PARTNERSHIPS FOR THE GOALS



- To work hand-in-hand with the government and other like-minded organisations to derive innovative and cost-effective solutions to the challenges faced by our nation.
- Build inclusive partnerships at various levels national, sub-national, and local-based on shared vision and values to drive the sustainable development agenda.
- Aries Agro currently partners with several agriculture universities and institutes like Confederation of Indian Industries (CII), Young Indians-CII, Indian Council of Agricultural Research (ICAR) KVK Baramati, Indian Micro Fertilizers Manufacturers Association (IMMA) amongst others.

## Awards &amp; Recognition



1987 / International Labour Organisation / Model Labour Relations In The Small Scale Sector



1994 / National Unity Award / Outstanding Services, Achievements & Contribution

2004 / Hewitt Associates And Business / Top 100 Best Employers of India



2007 / Listed Amongst The Top 500 Manufacturing Companies For 2007



2008 / Emerging India Awards 2008 By CNBC , ICICI Bank & Crisil / Most Promising & Best Performing SME in FMCG Food & Agri Business Category



2010 / Trailblazer Brand Innovator Award / Best Brand for Agricultural Inputs Category by Milagrow

2010 / Academy Of Grassroots Studies And Research of India and Rajiv Rural Development Foundation / Bharat Ratna Rajiv Gandhi Yuva Shakti Award - 2010



2010 / Indo Agri Expo / the United States Government to showcase Agricultural Innovation

2010 / Top 400 Small Cap Companies



2011 / Inc. 500 Magazine / Exemplary Growth

2011 / Inc.500 / Top 500 Indian Manufacturing Companies

2012 / Inc.500 / Top 500 Indian Manufacturing Companies



UNIVERSITY OF  
CANBERRA

2013 / University Of Canberra / Distinguished Alumri Awards

2013 / Inc.500 / Top 500 Indian Manufacturing Companies

2013 / Smart Innovation by Inc. 500 & 9.9 Media / Certificate for Innovative Excellence



2014 / The Second Inc. India Innovative 100 / Ranked Amongst 30 Most Innovative CEOs

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## Awards & Recognition

2014 / Inc.500 / Top 500 Indian Manufacturing Companies

2014 / Smart Innovation by Inc 500 & 9.9 Media / Certificate for Innovative Excellence



2016 / The National Record, Limca Book Of Records / Largest Flash Sale of Specialty Plant Nutrient Products



2017 / SKOCH Gold Award / Highest Independent Honour in India for Consistent Work in Serving Indian Farmers

2017 / SKOCH Order Of Merit Award / Top 100 SMEs In India



2017 / Bombay Chamber Of Commerce & Industry / Civic Award 2017 Under "Sustainable Environmental Initiatives"

2017 / SKOCH Gold Award 2017 / The Highest Independent Honour in India

2017 / SKOCH Order Of Merit - 2017 / Top 100 SMEs In India



2018 / Champions Of Rural Markets Award 2018-19 by The Economic Times / Quality management System Certified ISO 9001:2015 with Zero non-compliance report



2019 / Rural Marketing forum & Awards / Most Influential 50th rural marketing professionals Of India

2019 / Agri Business Award 2019 / Indian Chamber Of Foods And Agriculture



2019 / Zee Dare To Dream Awards / Best Agri Company For Year 2018-19



2019 / Insight Success Magazine March 2019 / 10 Most Recommended Agritech Companies in India

American Biographical Institute / International Award For Distinguished Leadership

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**Aries CSR initiatives are a constant engagement, and serve the rural communities where we work and grow.**



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## Aries Micronutrient Range in Liquids



## Aries Aquaculture Product Range



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## Aries Micronutrient Range





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## Aries Water-soluble fertilizer range



## Aries Pesticides and Insecticides range



## Entering the urban market



Awards & Recognition



Awards & Recognition





The Aries DNA

SUPERIOR QUALITY  
 REASONABLE  
 FUTURISTIC ELITE  
 PROGRESSIVE  
 TRANSPARENT  
 DECISIVE  
 ALL-IN-ONE  
 PERFECT  
 INDIAN  
 SYNERGISTIC  
 MARVELLOUS  
 HARD WORKING  
 AWESOME SYMBIOTIC  
 VERSATILE  
 HIGH PERFORMING  
 GOLD  
 TRUSTWORTHY  
 DELIVERING E  
 PRODUCTS C  
 FRIEND EXCEL  
 CUSTOMER I  
 A R I  
 INNOVATIVE  
 SUPER BAZAAR  
 FAITHFUL  
 ACHIEVER  
 REWARDING  
 PROFESSIONALISM  
 GREAT LEADERSHIP  
 UNITED  
 GOOD RESULT  
 FAMILY  
 QU  
 INC  
 BEST  
 CONI  
 PIO

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XCELLENCE FARMER FRIENDLY  
CARING RELIABLE STRONG CREATIVE  
LENT EMPATHETIC UNSTOPPABLE  
FIRST PROBLEM SOLVER COOPERATIVE  
SUPER NUTRITION  
E ROYAL LEGACY S AMAZING  
SUPERMARKET  
DYNAMIC  
LOYAL  
DARK HORSE  
QUALITY GROWTH HOMELY COHESIVE  
REDIBLE AGRIBUSINESS RICH  
PERFECT ENTHUSIASTIC  
CONFIDENT INVINCIBLE SUPER GREAT  
PATHBREAKING  
NEER AUTONOMOUS DEDICATED  
COMPASSIONATE STAR

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