



F.BSE/QPA/1326
30th August, 2018

Listing Department
BSE Ltd.
P.J. Towers,
Dalal Street,
Mumbai – 400 001

Ref: **Scrip Code- 532935**

Sub: **Annual Report- 2017-18**

Dear Sir,

As required by Regulation 34 of the SEBI (LODR) Regulations, 2015, attached please find the soft copy of the Annual Report-2017-18.

Kindly take the same on your records.

Thanking You,

Yours faithfully,
For **ARIES AGRO LIMITED**

Qaiser P. Ansari
Company Secretary & Compliance Officer

Encl: as above

48th ANNUAL REPORT - 2017 - 18





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. Chhaya
Independent Director

Mrs. Nitya Mirchandani
Director

Board Of Directors & Achievement



The Company was selected to be part of the Agricultural Task Force put together by the Champions of Change initiative of NITI Aayog and the Prime Minister's office. Over the course of deliberations on the 21st and 22nd of August 2017 extensive inputs were provided on behalf of the specialty plant nutrition industry and policy enablers to grow our industry. These were presented to the Hon'ble Prime Minister and council of Ministers in Delhi.



First Agro based company in the country wins Limca Book of Records



Skoch Gold Award



Skoch order of merit



aries Family Grows



Flash sales were conducted at Delhi, Amritsar, Goa, Bhubaneswar, Guntur, Vishakhapatnam and Kolkata.



All India planning meeting was conducted at Jaipur with top management, region and state heads and strategic partners to finalize plans for 2017-18.



Product launch in Horticulture Exhibition, Inauguration by Hon. Shri Yanamala Ramkrishnudu, Finance Minister, Andhra Pradesh.



The Company had several training programmes for GST transition and made transition to the new taxation system within a record 72 hours with minimal impact on dispatches.



aries Customer Convention

◀ Futura Training programme at Warangal.



Cardamom Planters Meeting was conducted in Kerala to introduce our range of specialized products for Cardamom plantations in July 2017.



Half Yearly Meeting 2017, EDI, Gandhinagar.



MOU Signing Ceremony With Jio for digitalization Solution.

48th Annual Report 2017 - 2018

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. C. B. Chhaya, Chairman
Dr. Jimmy Mirchandani
Dr. Rahul 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
Dr. Jimmy Mirchandani
Mr. B. V. Dholakia

PRESIDENT AND CHIEF FINANCIAL OFFICER

Mr. S. Ramamurthy

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
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
Pune, Maharashtra
Sriganganagar, Rajasthan
Vijayawada, Andhra Pradesh

MANUFACTURING LOCATIONS

Mumbai
Hyderabad
Chhatral
Lucknow
Fujairah, UAE(Subsidiary Company)

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Financial Highlights - Standalone

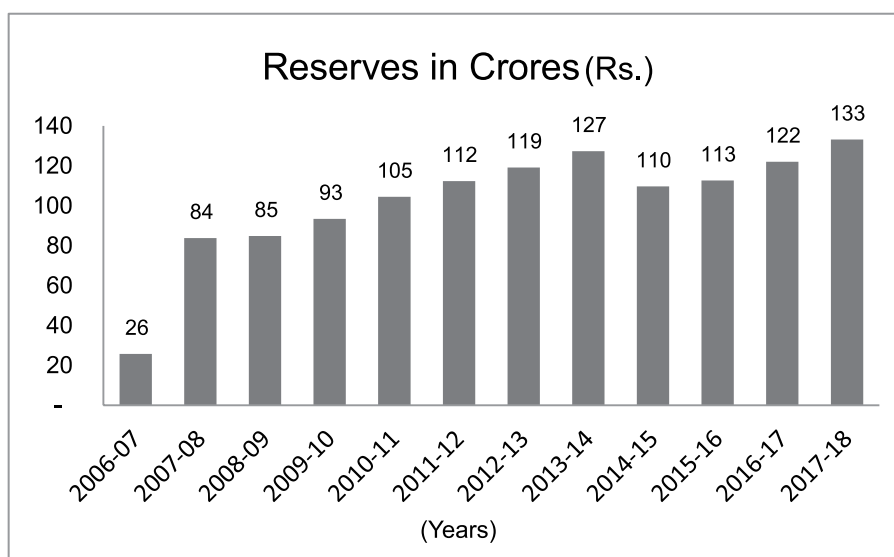
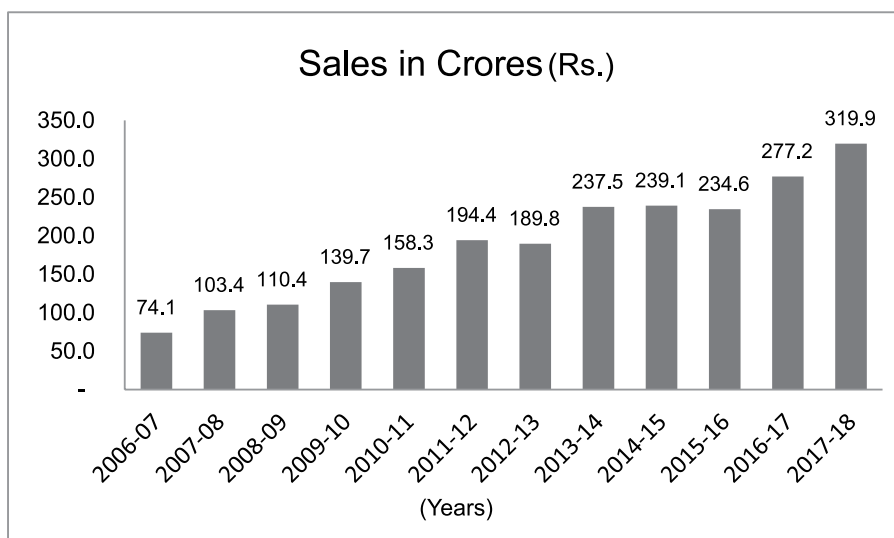
(Rupees in Lakhs unless stated otherwise)					
Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Revenue from Operations (Gross)	31,988.68	27,719.13	23,461.58	23,913.26	23,752.73
Revenue from Operations (Net of Discounts / Rebates)	26,449.99	22,964.73	21,283.46	21,366.31	21,878.34
Total Income	26,860.98	23,117.35	21,426.05	21,518.59	22,104.57
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	4,870.58	4,139.06	3,287.68	3,820.50	4,264.70
EBITDA %	18.41	18.02	15.45	17.88	19.49
Profit Before Depreciation and Tax	2,399.10	2,019.66	1,216.02	1,690.85	1,987.93
Profit Before Depreciation and Tax %	9.07	8.79	5.71	7.91	9.09
Profit Before Tax (PBT)	2,177.29	1,834.36	1,040.39	1,509.13	1,840.97
PBT %	8.23	7.99	4.89	7.06	8.41
Profit for the Year (PAT)	1,414.89	1,184.35	639.68	1,181.28	1,153.03
PAT %	5.35	5.16	3.01	5.53	5.27
Equity Dividend %	23.00	20.00	15.00	20.00	20.00
Dividend Payout	0.21	0.22	0.30	0.22	0.23
Net Worth	14,619.29	13,510.21	12,568.24	12,270.73	13,329.79
Gross Fixed Assets	6,582.70	5,436.16	5,414.16	4,902.41	4,779.06
Net Fixed Assets	3,404.92	2,480.03	2,577.40	2,109.58	3,489.32
Total Assets	38,501.69	31,824.53	29,904.20	28,892.42	32,266.38
Market Capitalisation	22,920.15	20,117.71	11,716.91	13,745.59	7,425.48
Number of Employees	868	822	748	753	785

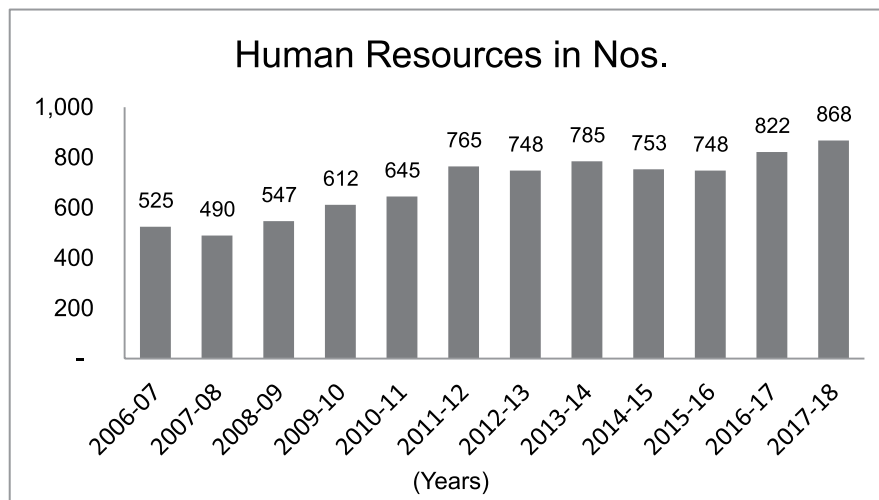
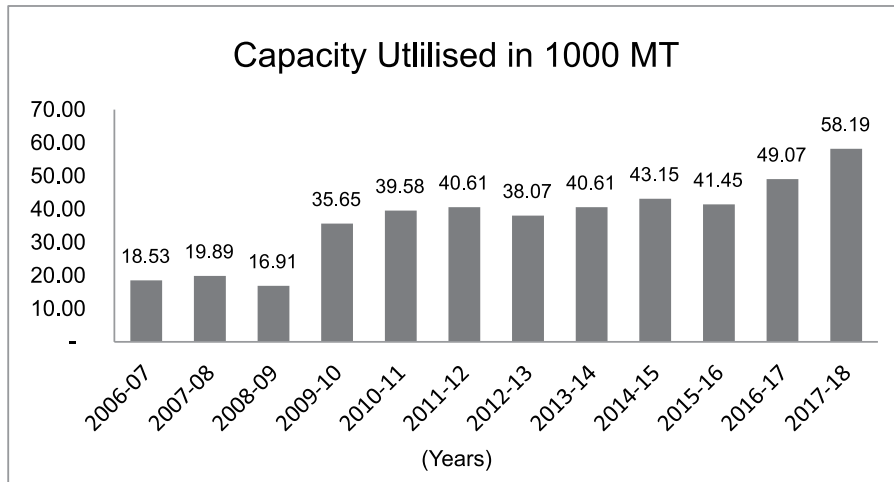
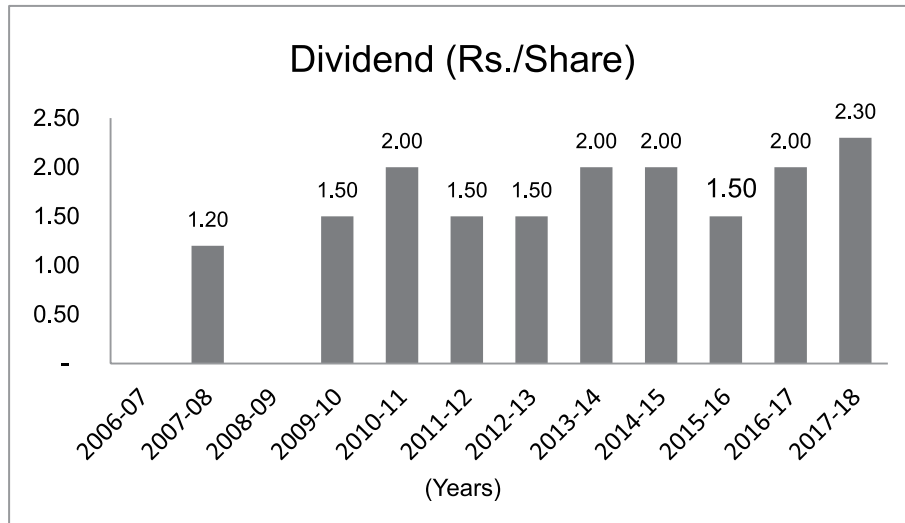
Key Indicators - Standalone

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Earnings Per Share - Rs. (Excluding Exceptional Items)	10.88	9.11	4.92	9.08	8.87
Turnover Per Share - Rs.	203.39	176.59	163.66	164.30	168.24
Book Value Per Share - Rs.	112.42	103.89	96.65	94.36	102.50
Debt : Equity Ratio	1.02	0.83	0.90	0.87	0.99
EBITDA / Gross Turnover %	15.23	14.93	14.01	15.98	17.95
Net Profit Margin %	5.35	5.16	3.01	5.53	5.27
RONW %	9.68	8.77	5.09	9.63	8.65
ROCE %	15.51	15.78	12.80	15.60	15.18
Inventory Turnover (in days)	175	183	171	170	166
Debtors Turnover (in days)	131	127	139	140	159
Current Ratio	1.46	1.57	1.55	1.61	1.64
Price Earning Ratio	16.20	16.99	18.32	11.64	6.44
Market Vale per Share	176.25	154.70	90.10	105.70	57.10

The Financial Highlights of the Company since 2006 is given below:

STANDALONE											(Amount in Rs. Crores)	
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
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
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
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
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
Dividend including DDT	-	1.83	-	2.27	3.03	2.27	2.28	3.04	3.13	2.35	3.13	3.60
Dividend (Rs. / Share)	-	1.20	-	1.50	2.00	1.50	1.50	2.00	2.00	1.50	2.00	2.30
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
Debtors	26.71	40.27	49.35	69.52	48.87	68.56	82.44	95.05	82.24	80.89	80.13	94.86
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
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
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
Capacity Utilized 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
Human Resources in Nos.	525	490	547	612	645	765	748	785	753	748	822	868



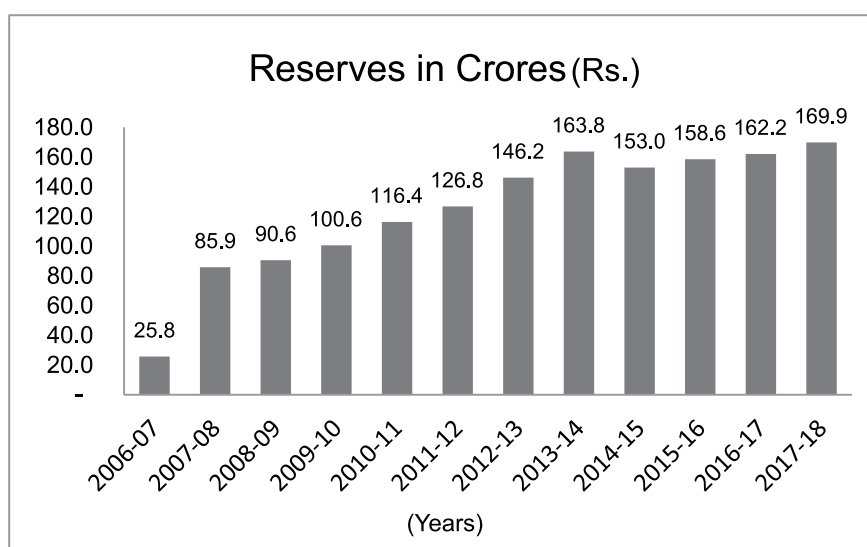
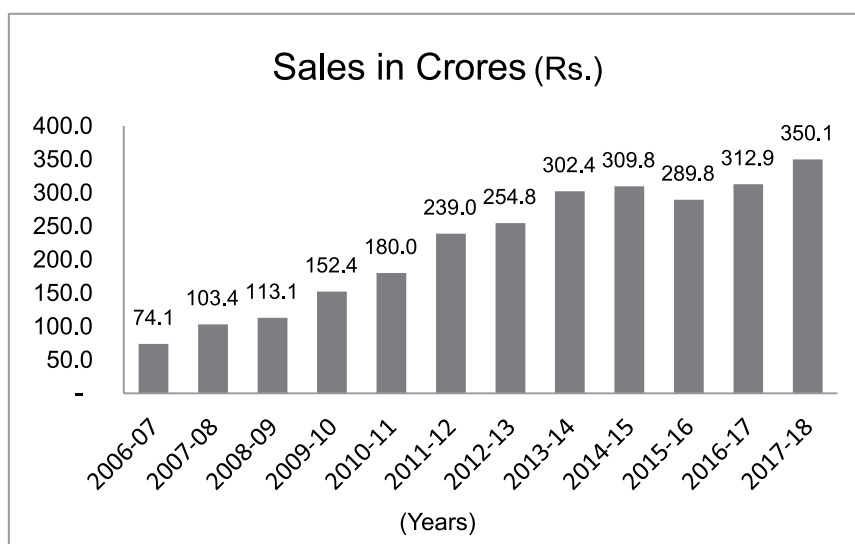


The Financial Highlights of the Company since 2006 is given below:

CONSOLIDATED

(Amount in Rs. Crores)

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
Sales	74.14	103.38	113.08	152.44	180.05	239.04	254.80	302.43	309.77	289.76	312.91	350.12
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
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
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
Dividend including DDT	-	1.83	-	2.27	3.03	2.27	2.28	3.04	3.13	2.35	3.13	3.60
Dividend (Rs./ Share)	-	1.20	-	1.50	2.00	1.50	1.50	2.00	2.00	1.50	2.00	2.30
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
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
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
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
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



CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Members,

It is with great pleasure that I present to you the 48th Annual Report of your Company, Aries Agro Limited.

During the year under review 2017-18, the monsoon recorded below normal rainfall to the tune of 95% of the LPA (Long Period Average). However, July and August witnessed some of the worst floods in Gujarat, South Rajasthan, Assam, Bihar, parts of Uttar Pradesh and Odisha. This was followed by a long prolonged dry spell in September across India during the first half of the month. The tremendously erratic weather conditions led to the Company needing to continuously modify and align sales strategies to ensure growth in all regions. With these efforts the company managed to increase its revenue (gross) by 15.40 % from Rs.277/- to Rs.320/- Crores. On a consolidated basis, international sales were limited due to suspension of manufacturing in UAE facilities and installation of like manufacturing capacities in India.

The total capacity utilization currently stands at 61% of the total installed capacity of 95,400 MT p.a. in India. During the year under review with the expanded manufacturing capacity in Hyderabad and Chhatral facilities due to reinstallation of similar machineries like the UAE units, the import substitution led to a significant improvement in manufacturing cost efficiency.

Aries was awarded with an appreciation Certificate for excellence in "Sustainable Environmental Initiatives" by the Bombay Chamber of Commerce & Industry. For Thirteen 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.

Cost control measures strengthened along with continued focus on domestic manufacturing increase in profitability (PAT) by 19.47 %. On a consolidated basis despite the restructuring of international operations consolidated P&L showed an increase of 48.48% in PAT in comparison with the previous Financial Year.

International clients are located in Bangladesh, Nepal, Vietnam & Taiwan. Distributors in Nepal and Vietnam have invested in branding and promotion of our range of products in their respective countries. The total exports and global sales constituted 8.89% of our group revenue during the Financial Year 2017-18.

As this year marks 10 years since our IPO, we are pleased to brief as a part of this Annual Report a summary of our Financial Performance from 2006 till date. This shows a healthy growth in our revenues of 28% Year on Year over the 12 years period, working out on a year on year average of 15%.

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

The company undertook activities focused specifically on supporting education across India by constructing washrooms and water tanks,

supplied benches, carried out repairs on school building, provided educational kits, ROs and also computers. 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. During the year under review 13,351 knowledge dissemination activities including farmers meeting were undertaken impacting 91,800 number of farmers. These sessions were conducted by team of 138 extension officials spread across 26 states.

Farmers' meeting and training programmes on good agricultural practices were conducted in almost all States across India. 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.

The Company also organized soil testing camps in 3 major consuming states using Mobile Soil Testing Kits.

2018 monsoons are expected to be normal and the Company is hopeful of achieving good growth in revenues and profitability. The Company conducted its digital flash sale first time this year with "App only" bookings leading to participation of 1400 Nos. of dealers/distributors from all states with a total booking of Rs.398/- crores for 2018-19. This marks the introduction of successful digital sales promotion techniques by the Company. The conversion expected is 75 to 80% of this order book and expect to achieve total gross revenue of Rs.350/- Crores.

The urban farming facility using hydroponics also became fully operational during the current year with two harvests being successfully undertaken for a variety of crops including varieties of Basil, Pokchoi, Cherry Tomatoes, Lettuce, Coloured Capsicum and Micro Greens. The R&D team also created specially designed nutrition solutions for soil free farming and this have been used in our own research facilities as well as in some commercial hydroponic farms.

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 Forty Eighth Annual General Meeting of the Members of **ARIES AGRO LIMITED** will be held on Friday, the 28th September, 2018 at 10.00 a.m. at The Chembur Gymkhana, 16th Road, Chembur, Mumbai-400 071, to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider, approve and adopt:
 - a. the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2018, together with the Reports of the Board of Directors and the Auditors thereon.
 - b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2018, together with the Report of the Auditors thereon.
2. To declare Dividend for the Financial Year ended 31st March, 2018.
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.
4. **Ratification of Appointment of Auditors for the Financial Year 2018-2019.**

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

“RESOLVED in partial modification of the resolution passed at the Forty Seventh Annual General Meeting of the Company held on 28th September, 2017 and pursuant to the enforcement of first proviso and explanation to Section 139 of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 and all other applicable sections read with relevant rules under the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) that M/S Sandeep Sheth & Associates, Chartered Accountants, (Membership No. 101903, and having Peer Review Certificate issued by the Institute of Chartered Accountants of India), who were appointed as the Statutory Auditors of the Company, to hold office from the conclusion of the Forty Seventh Annual General Meeting shall continue to hold such office till the conclusion of the Fifty Second Annual General Meeting without any subsequent ratification from the members at a remuneration inclusive of Goods and Service Tax and such other tax(es) (as may be applicable) and reimbursement of all out-of-pocket expenses (including terms of payment) to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee.”

SPECIAL BUSINESS

5. **To re-appoint Shri Chakradhar Bharat Chhaya as an Independent Director and in this regard, pass the following resolution as a Special Resolution:-**

To consider and, if thought fit to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and

Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Chakradhar Bharat Chhaya (DIN: 00968966), who would be attaining age of 75 years on 9th November, 2018 and who was appointed as an Independent Director and who holds office upto 25th September, 2019 and who meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of Listing Regulations and having submitted a declaration to that effect, and being eligible for appointment as an Independent Director of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company with effect from April 1, 2019.”

6. **Confirmation of Appointment of Dr. Jimmy Mirchandani as a Consultant**

To consider and, if thought fit to pass the following resolution as a Special Resolution:

“RESOLVED THAT PURSUANT TO Section 188 of the Companies Act, 2013 and the Rules and Regulations including Rule 15 of the Companies (Meetings of the Board and its Powers) Rules, 2014 and other applicable provisions read with Regulation 17(6)(ca) in the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and other applicable provisions and Rules thereto, consent of the Members of the Company be and is hereby accorded to the Company to continue availing the services of Dr. Jimmy Mirchandani, being a Related Party, 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 entered into with Dr. Jimmy Mirchandani.”

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

To consider and if thought fit the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 2,40,000/- (Rupees Two Forty 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 31st March, 2019, be and is hereby ratified.”

By Order of the Board

Qaiser P. Ansari

Place: Mumbai
Date: 13th August, 2018

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

NOTES:

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

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

3. Corporate Members intending to send their Authorised Representatives to attend the Meeting are requested to send to the Company a Certified Copy of the Board Resolution authorizing their Representative to attend and Vote on their behalf at the Meeting before three days of the date of the meeting.
4. Members/ Proxies should bring the attendance slip duly filled in for attending the meeting. The Identity/Signature of the Members holding shares in Electronic/Demat form is liable for verification with Specimen Signatures as may be furnished by NSDL/CDSL to the Company. Such Members are advised to bring the relevant Identity Card issued by the Depository Participant to the Annual General Meeting.
5. **The relative Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out material facts concerning the business under Item Nos. 4 to 7 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the 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) are annexed.**
6. All the documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on all days, except Saturdays, Sundays and holidays until the date of the Annual General Meeting or any adjournment thereof.
7. Members desirous of getting any information about the accounts and operations of the Company are requested to write their queries to the Company at least seven days in advance of the meeting so that the information required can be made readily available at the meeting.
8. Individual shareholders can now take the facility of nomination. The nominee shall be the person in whom all rights of transfer and/or amount payable in respect of shares shall vest in the event of the death of the shareholder(s). A minor can be a nominee provided the name of the guardian is given in the Nomination Form. Members holding shares in Demat form are requested to contact their DPs for registration of nominations.

Members holding shares in physical form are and interested in availing the nomination facility are requested to contact the Company/Registrar and Transfer Agent of the Company M/s Aarthi Consultants Private Limited.

9. The Company has fixed Friday, 14th September, 2018 as the "Cut Off/Record Date" for determining entitlement of Members to Dividend for the Financial Year 2017-18.
10. The Register of Members and Share Transfer Books of the Company will be closed from Saturday, 15th September, 2018 to Friday, 28th September, 2018 (both days inclusive) for determining the names of members eligible for Dividend on Equity Shares.
11. If Dividend, as recommended by the Board of Directors, is approved at the AGM, such Dividend will be paid on 24th October, 2018 to those Members whose names appear on the Register of Members on 14th September, 2018 after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 7th September, 2018. In respect of shares held through the depositories, Dividend will be paid on the aforesaid date to the Beneficial Owners of shares whose names appear at the close of business hours on 14th September, 2018 as per details furnished by the depositories for this purpose.
12. Members are requested to avail the facility of remittance of Dividend through the National Electronic Clearing Systems (NECS). The NECS facility is available at locations identified by the Reserve Bank of India from time to time. Members holding shares in physical form and desirous of availing this facility are requested to immediately write to the Company's Registrars and Transfer Agents with changes in their bank account/account numbers, if any, along with a photocopy of a blank cheque pertaining to the concerned account.
13. 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.
14. Members holding shares in physical form are advised/required to:
 - (i) convert their holding to dematerialized form to eliminate all risks associated with physical shares and can contact the Company or R&T for assistance in this regard.
 - (ii) notify any change in their Address, Bank Accounts etc. to the Company/ Registrar and Transfer Agent of the Company M/s Aarthi Consultants Private Limited.
 - (iii) submit their Permanent Account No.(PAN) to the Company/Registrar and Transfer Agent of the Company M/s Aarthi Consultants Private Limited.
 - (iv) register/update their email address with the Company/ Registrar and Transfer Agent of the Company M/s Aarthi Consultants Private Limited for receiving all communications from the Company electronically.
15. The Securities and Exchange Board of India (SEBI) has made it mandatory to print the Bank Details of the Investors on the physical payment instruments, if any payment is made to Investors by physical payment instrument. Members holding shares in physical form are requested to immediately submit their Bank Details to the Company/Registrars and Transfer Agents, M/s Aarthi Consultants Private Limited.

16. 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 Aarthi Consultants Private Limited.
17. SEBI has decided that Securities of Listed Companies can be transferred only in dematerialized form from 5th December, 2018. In view of the above and to avail various benefits of dematerialization, Members are advised to dematerialize shares held by them in physical form.
18. **Members are requested to bring their copy of the Annual Report to the Annual General Meeting.**
19. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
20. 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.
21. 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.
22. In compliance with Section 124 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder, unclaimed Dividend for the year ended 31st March, 2010 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.
23. 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.
 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.

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 5th October, 2018. 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 2010-11 Interim 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 Suspense 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.

24. The Annual Report duly circulated to the Members of the Company, is available on the Company's Website at www.ariesagro.com and on the website of M/S. **Aarthi Consultants Private Limited** at www.aarthiconsultants.com.
25. Shareholders can register their complaints, if any, on an exclusive e-mail id investorrelations@ariesagro.com which has been designated for the said purpose.
26. In accordance with the Section 101 of the Companies Act, 2013 read with the Rules, the Annual Report is being sent by electronic mode to those members whose shareholding is in dematerialised format and whose email ids are registered with the Depository for communication purposes.
27. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with M/S Aarthi Consultants Private Limited / Depositories.
28. 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 2018-19.
29. The route Map showing directions to reach the Venue of the 48th Annual General Meeting is annexed.
30. 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 th January, 1978
Date of Appointment	30 th May, 2014
Expertise in specific functional areas	Woman Director
Qualifications	B.A., Diploma in Human Resource Management
Brief Resume:	
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.	

Particulars required	Information
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.	NIL
Directorship in other Companies	NIL
Membership of Audit Committee of other Public Limited Companies	NIL
Membership of any other Committee of other Public Limited Companies.	NIL
Number of Shares held in the Company	3,000

Particulars required	Information
Name of the Director	Mr. Chakradhar Bharat Chhaya
Date of Birth	9 th November, 1943
Date of Appointment	29 th October, 2009(Appointed for a term of 5(Five Years at the Forty Forth AGM held on 26 th September, 2014)
Expertise in specific functional areas	Independent Director-Wide Experience in Banking.
Qualifications	B.Com., FCMA, CAIIB.

Brief Resume:

Mr. Chakradhar Bharat Chhaya, aged about 75 years has more than 50 years of experience in the field of banking and finance. He completed his Bachelor of Commerce from University of Bombay in the year 1963. He is a Fellow of Institute of Cost and Works Accountants of India. He is also a CAIIB (Certified Associate of Indian Institute of Bankers). He began his career in the year 1964 with Bank of Baroda. He worked at various positions before retiring as Managing Director of BOBCARDS Limited, a subsidiary of Bank of Baroda in 2003. The various designations held by him during his career were Zonal Head and Convener of State Level Bankers' Committee of Rajasthan and Nagar Rajbhasha Samiti of Jaipur (Banks), Deputy General Manager - Corporate Banking, Assistant General Manager – Central Inspection Division, Regional Manager - Jamnagar / Junagadh & Rajkot regions and Principle Officer for Sultanate of Oman Territory. At present, he is practicing as a Cost Accountant and undertakes corporate and NBFC advisory assignments.

Relationship between Directors inter-se	None
Chairman/Member of the Committees of the Board of Directors of the Company.	Chairman of the Nomination and Remuneration Committee, Stake Holders Relationship Committee and Member of the Treasury Committee.
Directorship in other Companies	Yalamanchili Software Exports Limited
Membership of Audit Committee of other Public Limited Companies	Yalamanchili Software Exports Limited- Chairman Audit Committee
Membership of any other Committee of other Public Limited Companies.	Yalamanchili Software Exports Limited-Member of the CSR Committee
Number of Shares held in the Company	NIL

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

AARTHI CONSULTANTS PRIVATE LIMITED

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

32. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 48th Annual General Meeting (AGM) by electronic means and the business may be transacted through remote e-Voting Services provided by Central Depository Services Limited (CSDL).

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

- The voting period begins on Monday, 24th September, 2018 at 10.00 a.m. and ends on Thursday, 27th September, 2018 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-Off date Friday, 14th September, 2018, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- Shareholders who have already voted prior to the Meeting date would not be entitled to vote at the Meeting Venue.
- The shareholders should log on to the e-voting website 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.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- If you are a first time user follow the steps given below:

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

Dividend Bank Details Or Date of Birth(DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the Depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).
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- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the Company <ARIES AGRO LIMITED> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone user can download the app from App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non-Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to <https://www.evotingindia.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.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com. The Name, Designation, Address, email ID and Phone Numbers of the person responsible to address the grievances connected with facility for voting by electronic means is as follows:

Name: Mr. Rakesh Dalvi

Designation: Manager

Address: A Wing, 25th Floor, Marathon Futurex,
Mafatlal Mill Compounds,
N M Joshi Marg,
Lower Parel (E),
Mumbai – 400013.
Email id: helpdesk.evoting@cdslindia.com
Phone number: 1800225533

- (xxii) Pursuant to Section 107 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, voting through Polling Paper shall also be made available to those Members who will be attending the Annual General Meeting and have not cast their vote by e-voting.
- (xxiii) Ms. Shailashri Bhaskar, Practicing Company Secretary (Membership No. FCS-5778 and CP No. 5092) or in her absence Mr. A. Sekar, Practicing Company Secretary (Membership No. ACS-8649 and CP No. 2450), has been appointed as the Scrutinizer to scrutinize e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) and the Polling at the AGM, in a fair and transparent manner.

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

By Order of the Board

Qaiser P. Ansari

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

Place: Mumbai
Date: 13th August, 2018

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

Item No. 4

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

M/s. 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 28th September, 2018 subject to ratification by the shareholders at every annual general meeting.

Pursuant to the enforcement of first proviso and explanation to Section 139 of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 the requirement for the ratification of the Appointment of the Statutory Auditor at every Annual General Meeting has been deleted from the statute book. Since the approval of the members for appointment of the auditors was obtained at a previous annual general meeting held on 28th September, 2017, the resolution is proposed to obtain the approval waiving the requirement of ratification of the appointment of the auditors at an every Annual General Meeting.

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

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

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

Item No. 5

Shri Chakradhar Bharat Chhaya (DIN: 00968966) was appointed as an Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges. He holds office as an Independent Director of the Company up to 25th September, 2019 ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act).

The Nomination and Remuneration Committee of the Board of Directors, while considering the re-appointment of Mr. Chakradhar Bharat Chhaya (DIN: 00968966) has also verified that he is not debarred from holding the office of director pursuant to any SEBI order. The Committee has also on the basis of the report of performance evaluation of Independent Director, has recommended reappointment of Shri Chakradhar Bharat Chhaya (DIN: 00968966), as an Independent Director for a second term of 5 (five) consecutive years commencing from 01-04-2019 on the Board of the Company.

The Board, based on the performance evaluation of an Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given his background and experience and contributions made by him during his tenure, the continued association of Shri Chakradhar Bharat Chhaya would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Shri Chakradhar Bharat Chhaya (DIN: 00968966); as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years commencing from 01-04-2019 on the Board of the Company.

Shri Chakradhar Bharat Chhaya (DIN: 00968966) would be attaining age of 75 years on 9th November, 2018 and he is maintaining a good physical health. He has attended most of the Meetings of the Board and Committees and contributed in the proceedings. He has attended previous Annual General Meeting.

Pursuant to newly inserted Regulation 17(1A) in the SEBI (Listing Obligation and Disclosure Requirements)(Amendment) Regulations, 2018; no listed entity can appoint or continue the directorship of any person as non executive director who has attained the age of seventy five years unless a special resolution is passed to that effect. This regulation shall come into effect from April 1, 2019. Also 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.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act.

Shri Chakradhar Bharat has given his consent to act as Directors. The Company has also received declaration from him that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

In the opinion of the Board, Shri Chakradhar Bharat Chhaya fulfills the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations and is independent of the management. Details of re-appointment of Shri Chakradhar Bharat Chhaya is proposed at Item No. 5 is provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Shri Chakradhar Bharat Chhaya is interested in the resolutions set out respectively at Item No. 5 of the notice. The relatives of Shri Chakradhar Bharat Chhaya may be deemed to be interested in the respective resolutions to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

Item No. 6

The Board of Directors of the Company at their Meeting held on 3rd April, 2017 (upon recommendation of the Nomination and Remuneration Committee and the Audit Committee in their respective Meetings held on 3rd April, 2017) appointed Dr. Jimmy Mirchandani, Director being a Related Party, as a Consultant to avail his services while residing out of India in the areas of International Exposures and Strategic Business Decisions for a period of 5(five) years from 4th April, 2017 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) p.a., as per the Consultancy Agreement dated 30th May, 2017 entered with Dr. Jimmy Mirchandani incorporating the terms and conditions and scope of services.

Pursuant to newly inserted Regulation 17(6)(ca) in the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015; approval of the Share Holders by Special Resolution shall be obtained every year, in case where the Annual Remuneration payable to a single Non-Executive Director exceeds fifty percent of the Total Annual Remuneration payable to all Non-Executive Directors.

Pursuant to the recommendation of the Nomination and Remuneration Committee and the Audit Committee at their respective Meetings held on 13th August, 2018, the Board of Directors at their Meeting held on 13th August, 2018 have resolved to obtain the approval of the Members to the appointment of Dr. Jimmy Mirchandani, Director being a Related Party, as a Consultant to avail his services while residing out of India in the areas of International Exposures and Strategic Business Decisions for a period of 5(five) years from 4th April, 2017 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) p.a., Accordingly, approval of the Members is being sought as in Item No. 6.

Dr. Jimmy Mirchandani, Dr. Rahul Mirchandani and Mrs. Nitya Mirchandani are interested in the resolutions set out respectively at Item No. 6 of the Notice. The relatives of Dr. Jimmy Mirchandani may be deemed to be interested in the respective resolutions to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

Dr. Jimmy Mirchandani has held the office of the Chairman and Managing Director for 8 years and was instrumental for the sterling progress of the Company. His experience and profound knowledge in the International Market for the products of the Company would be very much useful to the Company. He makes the study of the market of the various countries and advises the Company the steps to be

taken or the market potentiality of the export of the products of the Company. He also advises the Company new trend or new product or relevant development in the International Market and this helps the Company to plan its product mix and export.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the members as the Consultancy or Advisory Services rendered by Dr. Jimmy Mirchandani is very useful and beneficial to the Company.

Item No. 7

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the Cost Records of the Company for the financial year ending March 31, 2019 for a remuneration of Rs. 2,40,000/- (Rupees Two Lakh Forty 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. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2019.

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. 7 of the Notice.

The Board commends the **Ordinary Resolution** set out at Item No. 7 of the Notice for approval by the shareholders.

By Order of the Board

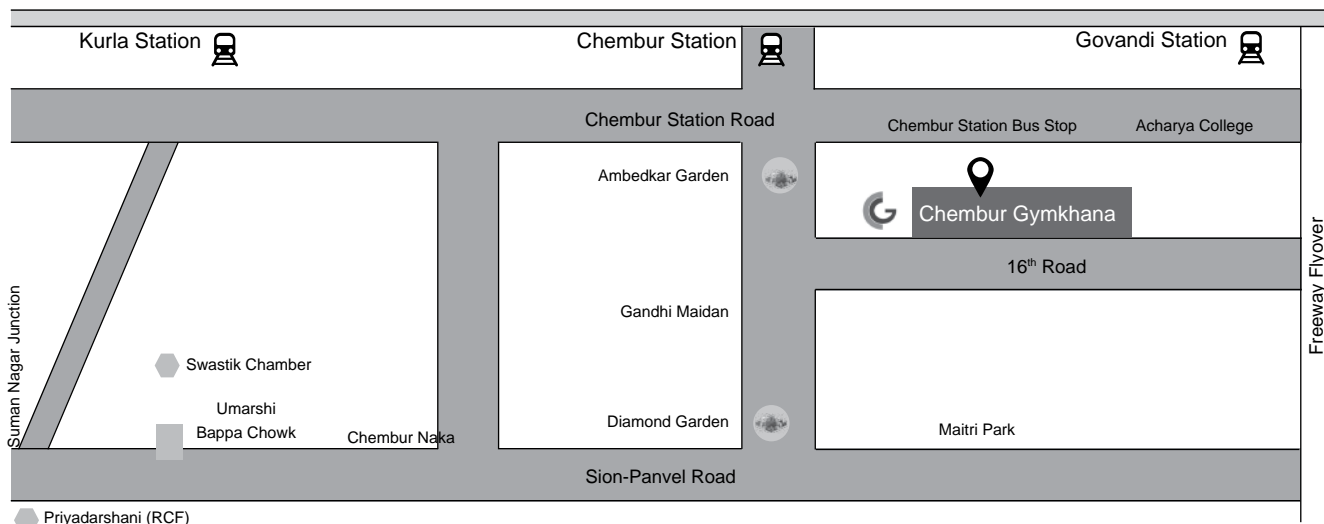
Qaiser P. Ansari

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

Place: Mumbai

Date: 13th August, 2018

Route Map of the AGM Venue



BOARD'S REPORT

To
The Members,
Aries Agro Limited

Your Directors have pleasure in presenting their 48th Annual Report on the operations of the Company together with the Audited Financial Statements for the Financial Year ended 31st March, 2018.

FINANCIAL PERFORMANCE

(Rupees in Lakhs unless stated otherwise)

Particulars	Standalone		Consolidated	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Revenue from Operations	31,988.68	27,719.13	35,011.55	31,290.52
Less :- Discount / Rebates	5,538.69	4,754.40	5,538.69	4,754.40
	26,449.99	22,964.73	29,472.87	26,536.12
Other Income	410.99	152.62	199.28	306.12
Total Revenue (including Other Income)	26,860.98	23,117.35	29,672.14	26,842.24
Profit Before Tax, Interest & Depreciation	4,870.58	4,139.06	4,786.32	4,200.91
Less :- Finance Costs	2,471.48	2,119.40	2,888.73	2,337.06
Depreciation & Amortisation Expense	221.81	185.29	226.35	668.93
	2,693.29	2,304.70	3,115.08	3,005.98
Profit Before Tax	2,177.29	1,834.36	1,671.24	1,194.92
Less :- Current Tax	687.00	651.00	687.00	651.00
Adjustment of Tax relating to earlier periods	9.70	5.29	9.70	5.29
Deferred Tax	65.70	(6.27)	65.70	(6.27)
	762.40	650.01	762.40	650.01
Profit for the year	1,414.89	1,184.35	908.84	544.91
Less :- Non-Controlling Interest	-	-	(139.52)	(161.18)
Profit for the year attributable to Owners of the Parent	1,414.89	1,184.35	1,048.36	706.09
Balance brought forward	6,354.90	5,366.71	9,234.99	8,985.67
Amount available for Appropriation	7,769.79	6,551.06	10,283.36	9,691.75
Less :- Transferred to Legal Reserve	-	-	-	13.68
Transferred to Foreign Currency Translation Reserve	-	-	-	246.93
Dividend paid	260.09	195.07	260.09	195.07
Tax on Dividend Proposed	52.95	39.71	52.95	39.71
Ind AS Impact on Defined Benefit Plans	-	(38.62)	-	(38.62)
	313.03	196.15	313.03	456.76
Surplus carried forward to Balance Sheet	7,456.76	6,354.90	9,970.32	9,234.99

OPERATIONS STANDALONE

During the year under review, the Earnings Before Interest, Depreciation and Tax was 18.41% compared to 18.02% in the previous year. The Total Revenue (excluding Other Income) for the year net of discount / rebates was Rs. 26,449.99 Lakhs as against Rs. 22,964.73 Lakhs in the previous year. Profit after tax for the year was 5.35% compared to 5.16% 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. 4,786.32 Lakhs in the Financial Year 2017-18 compared to Rs. 4,200.91 Lakhs in the previous year. Consequently, the Consolidated Profit Before Exceptional Items and Taxes (PBT) was Rs. 1,671.24 Lakhs in the Financial Year 2017-18 compared to Rs. 1,194.92 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 15.40 % with an increase in profitability before tax by 18.70% in comparison with the previous year.

The global operations were suspended in August 2017 and raw materials and finished goods on hand were sold. A further plan of action is being worked out in the best interests of the Company's profitability. Therefore, revenue from overseas were lower and cost savings due to reduced overheads impacted profitability of the consolidated operations. Please refer to the discussion made in the Management Discussion and Analysis Report forming part of this Report.

DIVIDEND

After considering earnings, requirement for funds and with the objective of rewarding the Shareholders, the Directors have recommended a Dividend of 23% being Rs. 2.30 per Equity Share of Rs. 10/- each which is 21.14% of Net Profit for the year ended 31st March, 2018 (previous year 20% being Rs. 2.00 per Equity Share of Rs. 10/- each which is 21.96% of Net Profit) subject to your approval at the ensuing Annual General Meeting. The Dividend, if approved, will result in an outflow of Rs. 359.99 Lakhs including Dividend Distribution Tax.

TRANSFER TO RESERVES

Your Directors do not propose to transfer any amount to the General Reserve out of the current year's profit and the balance aggregating to Rs. 7,456.76 Lakhs is proposed to be retained in the Profit and Loss Account.

FUTURE PROSPECTS:

The Company had annual booking bazaars using its digital app for the first ever time during April & May 2018. This led to an order book of Rs.398 Crores and we expect conversion of 75 to 80% of the order book into turnover of the Company. In addition there will be regular orders which would be received from customers who have not participated in the pre-season booking process. During the current year 1,400 dealers/distributors participated in the booking bazaar and flash sale as against 1,250 last year.

The Company is introducing 9 new products in the aquaculture sector and these will be launched in October, 2018 which will support growth in the top line and bottom line. No new production line or additional raw material is required

The Company will focus namely on

- i) Increase penetration in Aquaculture especially in states like Andhra Pradesh, Telangana, West Bengal and Chhattisgarh
- ii) Increase exports in Asian region.

The above plans combined with good monsoon, the revenue growth in the current Financial Year is expected to be satisfactory.

CREDIT RATING

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

Long Term Bank Facilities(Fund Based)-CARE BBB+; Stable (Triple B Plus; Outlook: Stable) (**Reaffirmed**) and Short Term Bank Facilities(Non Fund Based)-CARE A3+(A Three Plus) Revised from CARE A2(A Two). There was no change in the Long Term Credit Rating however, the Short Term Rating was revised during the year.

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

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

SAFETY AND HEALTH

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

USE OF IPO PROCEEDS

Your Company made its . IPO in January 2008 for the purposes as stated in the Prospectus dated 26th December, 2007. The IPO proceeds have been utilized in accordance with the schedule of the Prospectus and variation approved by the shareholders at their Annual General Meeting held on 29th September, 2009 by passing a Special Resolution. However, the renovation/extension of existing Office Building at Mumbai is under progress and once it is completed the Company will approach the shareholders for requisite approval as regards to utilization of IPO proceed.

PUBLIC DEPOSITS

The Company has not accepted any deposits from the Public within the meaning of Section 73 of the Companies Act, 2013 and Members (other than Directors) during the year under review and as such, no amount on account of Principal or Interest on Deposits from Public and Members (other than Directors) was outstanding as on 31st March, 2018.

SUBSIDIARIES & ASSOCIATE COMPANIES

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

Aries Agro Produce Private Limited ceased to be a Subsidiary of the Company during the Financial Year 2017-18. It is neither a Subsidiary nor an Associate of the Company.

The operations of Aries Agro Care Pvt. Ltd. commenced in the Financial Year 2008-09 but discontinued the activity in the financial year 2012-13 and had no business activity in the financial year 2017-18 . The Company incurred expenses to the tune of Rs. 0.45 Lakhs.

The business operations of Aries Agro Equipments Pvt. Ltd. commenced in the year 2009-10 in agricultural sprayers but discontinued the activity in the financial year 2013-14. During the Financial Year 2017-18 the Company earned Income Rs. 0.34 Lakhs and incurred expenses of Rs. 0.35 Lakhs.

The above two 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 Ninth Year of operation, has not generated any sale and has incurred Loss of AED 24.61 Lakhs (INR 435.59 Lakhs) for the year 2017-18.

M/s. Amarak Chemicals FZC, which is a Step Down Subsidiary of Aries Agro Limited with an installed capacity of 60,000 MT p.a., in their Fifth Full Year of operation, has generated a total sale of AED 170.78 Lakhs (INR 3022.87 Lakhs) with a loss of AED 3.95 Lakhs (INR 69.97 Lakhs) for the year 2017-18.

As required under S. 129(3) of The Companies Act, 2013, annexed hereto are the Audited Financial Statements for the Year ended 31st March, 2018 of Golden Harvest Middle East FZC., Amarak Chemicals FZC., Aries Agro Care Private Limited and Aries Agro Equipments 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 No. 37 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.

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.

Pursuant to newly inserted Regulation 17(1A) in the SEBI (Listing Obligation and Disclosure Requirements) (Amendment) Regulations, 2018; no listed entity can appoint or continue the directorship of any person as non executive director who has attained the age of seventy five years unless a Special Resolution is passed to that effect. This regulation shall come into effect from April 1, 2019. Also 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.

Shri Chakradhar Bharat Chhaya (DIN: 00968966) would be attaining age of 75 years on 9th November, 2018 and he is maintaining a

good physical health. He has attended most of the Meetings of the Board and Committees and contributed in the proceedings. He has attended previous Annual General Meeting.

Pursuant to the recommendation of the Nomination and Remuneration, the Board proposes to re-appoint Shri Chakradhar Bharat Chhaya (DIN: 00968966); as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years commencing from 01-04-2019 on the Board of the Company.

Accordingly, re-appointment of Shri Chakradhar Bharat Chhaya as an Independent Director forms part of the Agenda and the proposed Resolution is set out at item No. 5 of the Notice.

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 Operation of the Company at Board Meetings 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. Directors were also taken for the Factory visits and they also attended the Annual Sales Meet at Ahmedabad. House Journal as and when published is also sent to all the Directors and their feedback are considered.

KEY MANAGERIAL PERSONNEL

Apart from the resignation of Dr. Jimmy Mirchandani from the Chairman and Managing Directorship of the Company w.e.f. 3rd April, 2017 and appointment of Dr. Rahul Mirchandani as Chairman and Managing Director for a period of 5(Five) Years with effect from 4th April, 2017 (reported in the Board's Report for the Financial Year 2016-17), there was 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

Seven 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

Apart from the re-constitution of the Audit Committee with effect from 3rd April, 2017 (reported in the Board's Report for the Financial Year 2016-17), there was no other change in the Audit Committee.

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

CSR COMMITTEE

The CSR Committee comprises Dr. Rahu Mirchandani (Chairman), Dr. Jimmy Mirchandani and Shri. B. V. Dholakia. 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 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:

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

PARTICULARS OF EMPLOYEES & RELATED DISCLOSURES

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

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

Non-Executive Directors	Ratio to median Remunerations	Directors Remuneration / Sitting Fees Rs. Lakhs
Dr. Jimmy Mirchandani	0.11	0.30
Mrs . Nitya Mirchandani	0.89	2.40
Prof R. S. S. Mani	1.38	3.75

Mr. Chakradhar Bharat Chhaya	1.08	2.93
Mr. Bhumitra Vinodchandra Dholakia	1.44	3.90
Executive Directors		
Dr. Rahul Mirchandani	64.89	175.71

2. **The percentage increase in remuneration of each Director, Chief Financial Officer,**

Company Secretary or Manager, if any, in the financial year;

Directors, Chief Financial Officer, Company Secretary	% Increase in Remuneration in the Financial Year
Dr. Rahul Mirchandani*	65.92
Mr. S. Ramamurthy , Chief Financial Officer	11.00
Mr. Qaiser P. Ansari, Company Secretary	9.68

**Higher responsibility was cast upon him-from Executive Director - limited role to-shouldering the responsibility of Managing Director. The post of Executive Director has been kept vacant.*

3. **The percentage increase in the median remuneration of employees in the financial year; -1.08 %**
4. **The number of permanent employees on the rolls of Company; 868**
5. **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 11.26% after accounting for promotions and other event based compensation revision.

6. **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 2017-18												
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 31.03.2017	Whether relative of any Director or Manager and the name of such Director or Manager
1	DR. RAHUL MIRCHANDANI	CHAIRMAN AND MANAGING DIRECTOR	17,570,571	CONTRACTUAL	N.A.	MANAGING THE AFFAIRS OF THE COMPANY	B. Com; CFA; MBA; Ph.D	02.02.1994	43	N.A.	20.86	Brother of Dr. Jimmy Mirchandani & Husband of Mrs. Nitya Mirchandani
2	MR. P.K. JAISWAL	SENIOR VICE PRESIDENT-MARKETING	6,409,976	FULL TIME EMPLOYEE	N.A.	MANAGING THE MARKETING ACTIVITIES FOR W.R., N.R. & C.R.	B.Sc.	26.01.1982	60	N.A.	0.01	N.A.
3	MR. S. RAMAMURTHY	PRESIDENT AND CHIEF FINANCIAL OFFICER	4,695,144	FULL TIME EMPLOYEE	N.A.	FINANCIAL MANAGEMENT OF THE COMPANY	B. Com. C.A.	16.10.1995	65	M/s. Micro Plantae Ltd., Desgn- VP (Finance & Accounts)	NIL	N.A.
4	MR. QAISER PARVEZ ANSARI	COMPANY SECRETARY & SENIOR VP (LEGAL)	2,700,659	FULL TIME EMPLOYEE	N.A.	COMPANY SECRETARY	B. Com. LLB CS	02.06.2008	55	M/s. Sabero Organics Gujrat Ltd., Desgn- CS & Dy. Gen. Manager(Legal & Taxation)	0.00	N.A.
5	MR. D. RAVINDRA NATH	ASST. VICE PRESIDENT (PRODUCTION)	2,625,621	FULL TIME EMPLOYEE	N.A.	PRODUCTION FOR PASHAMYLARAM UNIT	M.Sc.	25.10.1979	65	M/s. Beekay Pesticides Pvt. Ltd., Desgn- Supervisor Cum Chemist	0.15	N.A.
6	MR. JAYAPRADEEP SUBRAMANIAN	ASST. VICE PRESIDENT (MARKETING) SOUTHERN REGION	2,473,884	FULL TIME EMPLOYEE	N.A.	MARKETING & EXTENSION ACTIVITIES FOR Southern Region	M.Sc. MBA	15.11.2013	35	M/s. Tata Consultancy Services, Desgn- IT Analyst	0.00	N.A.
7	MR. B.R.PANDEY	SENIOR VICE PRESIDENT (HR AND PERSONNEL)	2,277,651	FULL TIME EMPLOYEE	N.A.	HR & ADMIN	B.Sc. DPMIR	18.01.1982	56	M/s. R. B. Vaidya & Co., Desgn- General Assistant	0.01	N.A.
8	ARUN K. TIWARI	REGIONAL CONTROLLER	2,263,039	FULL TIME EMPLOYEE	N.A.	MANAGING THE MARKETING ACTIVITIES OF NORTHERN REGION	B.Sc.	01.12.1992	50	N.A.	0.01	
9	MR. N.E.MOORTHY	SENIOR VICE PRESIDENT (TREASURY)	2,252,076	FULL TIME EMPLOYEE	N.A.	FINANCE	B. Com. (CA Ent.)	22.09.1983	58	M/s. Kolatkar & Dandekar CA , Desgn- Articleship Trainee	0.002	N.A.
10	MR. SANTOSH KUMAR PANDEY	JUNIOR REGIONAL CONTROLLER	2,248,561	FULL TIME EMPLOYEE	N.A.	MARKETING ACTIVITIES OF MAHARASHTRA NIPANI DIVISION	M. Sc.(Ag)	26.05.2004	44	N.A.	NIL	N.A.
11	MR. BIPLOB CHATTERJEE	VICE PRESIDENT (PRODUCTION)	1,786,075	FULL TIME EMPLOYEE	N.A.	OVER ALL PRODUCTION	B.Sc.	08.12.2009	49	M/s. Jaysynth Dye Chem, Desgn- Production Officer	0.00	N.A.

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 2017-18												
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 31.03.2017	Whether relative of any Director or Manager and the name of such Director or Manager
1	DR. RAHUL MIRCHANDANI	CHAIRMAN AND MANAGING DIRECTOR	17,570,571	CONTRACTUAL	N.A.	MANAGING THE AFFAIRS OF THE COMPANY	B. Com; CFA; MBA; Ph.D	02.02.1994	43	N.A.	20.86	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 Systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by the Statutory as well as Internal Auditors covering all Offices, Factories and Key Business areas. Significant Audit Observations and Follow Up Actions thereon are reported to Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's Internal Control environment and monitors the implementation of the audit recommendations.

Based on the framework of Internal Financial Controls and Compliance Systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors and review performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's Internal Financial Controls were adequate and effective during the Financial Year 2017-18.

GREEN INITIATIVES

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

HUMAN RESOURCES

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

LISTING

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

The Company has made all the compliances of Listing Regulations including payment of Annual Listing Fees upto 31st March, 2019 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
		2017-2018	2016-17
(a)	Purchased:-		
	I. Electricity		
	(i) Unit (KWH)	993,775	908,208
	(ii) Total Amount (Rs)	9,483,040	8,918,395
	(iii) Rate/Unit (Rs.)	9.54	9.82
	II Piped Gas		
	(i) Unit(M3)	358,193	324,908
	(ii) Total Amount (Rs)	13,402,009	10,165,698
	(iii) Rate/Unit (Rs.)	37.42	31.29
(b)	Own Generation		
	(i) Coal	Not Applicable	Not Applicable
	(ii) Furnace Oil - KI	262	4,607
	(iii) Internal Generation Units(Generator)	2,329	19,482
	(iv) Solar System Units	66,532	68,622

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

(A) RESEARCH AND DEVELOPMENT:

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

- There is a continuous focus on University research on specialty plant nutrition which continues across India.
- Our team of extension officers conducts continuous field demonstrations and extension work including large scale soil sampling, which provides constant updates on deficiency levels across all states in India.
- The Company's R&D at Mumbai is ISO 9001:2015 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.

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.

4. Future Plan of Action :

- Identifying customized formulations for new states where Aries is entering to sell their product range.
- Identify products from the existing Aries crop nutrition range which can be adopted in aquaculture.
- 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
- Granulation of MM mixtures for soil application.
- Coffee and Tea specific formulations
- Developing new assay method for antibacterial agents.
- Modification of manufacturing process to make it pollution free
- Hydroponics as a technology
- Crop specific formulations of micronutrient fertilizer
- Bio Fertilizers

5. Expenditure on R & D

Sr. No.	Description	For the Year ended 31 st March 2018 (Amt. in Rs.)	For the Year ended 31 st March 2017 (Amt. in Rs.)
I)	Capital	3,620,027	47,522
II)	Recurring	4,633,750	4,645,418
	Total	8,253,777	4,692,940
	Total R&D expenditure as a % of		
a)	Gross Turnover	0.26	0.17
b)	Net Turnover	0.31	0.20

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 is now 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 Bangladesh, Nepal, Vietnam and Taiwan. Sales were booked for Nepal, Vietnam, Taiwan and Bangladesh. Distributors in Nepal and Vietnam have invested in branding and promotion of our range of products in their respective countries. The total exports and global sales constituted 8.89 % of our group revenue during the Financial 2017-18.

2. Total Foreign Exchange used and earned:

Used : Rs. 29,20,37,128/-

Earned: Rs. 3,10,01,660/-

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.

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

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

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

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.

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 28th September, 2017 subject to ratification of their appointment at every Annual General Meeting.

Pursuant to the enforcement of first proviso and explanation to Section 139 of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 the requirement for ratification of the Appointment of the Statutory Auditor at every Annual General Meeting has been deleted from the statute book. Since the approval of the members for appointment of the auditors was obtained at a previous annual general meeting held on 28th September, 2017, a resolution is proposed to obtain the approval waiving the requirement of ratification of the appointment of the auditors at an every Annual General Meeting. The proposed Resolution set out at item No. 4 of the Notice.

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 (2) of Section 143 of the Companies Act, 2013 other than those reportable to the Central Government.

Cost Auditors

The Company had appointed M/s. R. Nanabhoy & Co., Cost Accountants, to conduct the Audit of Cost Accounting Records of its products for the financial year 2016-2017.

The due date for filing the Cost Audit Reports in XBRL mode for the financial year ended March 31, 2017 was 14th October, 2017. The Cost Audit Reports were filed by the Cost Auditor on 3rd October, 2017 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 31st March, 2018 by the Board of Directors at their meeting held on 30th May, 2017 after ensuring their eligibility and obtaining the letter of eligibility from them.

The Company's Cost Audit for the Financial Year 2017-18 is under process and the Company will have the Audit completed within 180 days of the end of the Financial Year-2017-18 i.e. on or before 27th September, 2018 and file the Report within 30 days of the Board Meeting approving the Report.

Secretarial Auditors

The Board has appointed Mr. A. Sekar, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith marked as **Annexure-IV** to this Report.

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

SECRETARIAL STANDARDS

It is hereby confirmed that the Company has complied with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

GENERAL DISCLOSURES

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

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of Equity Shares with differential rights as to dividend, voting or otherwise.
3. Issue of Shares (including Sweat Equity Shares) to employees of the Company under any scheme.
4. Buy Back of shares of the Company during the year under review.
5. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its Subsidiaries.
6. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
7. The Company is not required to submit Business Responsibility Report in pursuance of Regulation 34(2)(f) SEBI(LODR) Regulations, 2015.

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

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

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

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

MATERIAL ORDERS PASSED

No material Orders have been passed by any Authority in respect of any matters with regards to the business of the Company during the Financial Year. However, following Order was passed after the end of the Financial Year and before the date of this Report.

In the Notes to Accounts under para 38(d), we had referred on the Classification of Micronutrients under Central Excise and also about the Circular dtd. 06/04/2016 clarifying that Micronutrient Fertilizers are not classifiable as Plant Growth Regulators under Chapter Heading No. 3808 of the Central Excise Act.

The Mumbai Bench of the Central Excise and Service Tax Appellate Tribunal upheld Mumbai Commissionerate's Order on classification

of micronutrients as fertilizers under Chapter Heading No. 3105 and not as plant growth regulators under Chapter Heading No. 3808 of the Central Excise Tariff vide their order bearing No. A/86615/2018 dated 31/05/2018.

Similar order is expected from the Ahmedabad Appellate Tribunal.

STATUTORY DISCLOSURES

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

ACKNOWLEDGEMENT

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

Dr. Rahul Mirchandani
Chairman & Managing Director
DIN-00239057

Place: Mumbai
Date: 13th August, 2018

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:

- 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 2017-18.
- Details of Contracts or Arrangements or Transactions at arm's length basis:**

Sr. No.				
1.	Name(s) of the Related Party and nature of Relationship	Golden Harvest Middle East FZC-75% Subsidiary	Amarak Chemicals FZC-Step Down Subsidiary	Dr. Jimmy Mirchandani
2.	Nature of Contracts/ Arrangements/ Transactions	Order based Contracts	Order based Contracts	Appointment as a Consultant
3.	Duration of Contracts/ Arrangements/ Transactions	Order based Contracts	Order based Contracts	5 Years from 4th April, 2017 to 3rd April, 2022.
4.	Salient terms of Contracts/ Arrangements/ Transactions including Value, if any	As per the Orders from time to time	As per the Orders from time to time	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.	Date of Approval by the Board , if any	Not Applicable, since the Contract was entered into in the ordinary course of business and on arm's length basis	Not Applicable, since the Contract was entered into in the ordinary course of business and on arm's length basis	3rd April, 2017. Approval of Members is being sought by way of Special Resolution in the ensuing AGM.
6.	Amount Paid as advances, if any	Rs. 462.96 Lakhs	Rs. 123.22 Lakhs	73.65 Lakhs

For and on behalf of the Board,

Place: Mumbai
Date: 13th August, 2018

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>Our policy on Corporate Social Responsibility of Company is broadly framed taking into account the following measures: -</p> <p>a) Welfare measures for the community at large, so as to ensure the disadvantaged sections of the Society derived the maximum benefits.</p> <p>b) Contribution to the society at large by way of social and cultural development, imparting education, training and social awareness especially with regard to the farming sector for their development and generation of income.</p> <p>c) Protection and safeguarding of the environment and maintaining ecological balance through a range of ecologically sustainable and cost effective products.</p> <p>Chairman & Managing Director/Executive Director of the Company shall exercise their delegated powers for according approval for the project within the ceiling limit of said 100% budget. CSR should be broadly executed by Company in the areas in which its operating units are located. CSR committee will frame the CSR Policy and modify from time to time and the Board to implement and monitor CSR activities.</p> <p>The CSR Policy is hosted at www.ariesagro.com in the Investor Relations Section.</p>																		
2. The Composition of the CSR Committee. ---	<p>Dr. Rahul Mirchandani, Chairman</p> <p>Dr. Jimmy Mirchandani</p> <p>Shri Bhumitra V. Dholakia</p>																		
3. Average Net Profit of the Company for last three Financial Years	Rs. 14,82,61,478/-																		
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	Rs. 29,65,230/-																		
5. Details of CSR spent during the Financial Year.																			
(a) Total amount to be spent for the Financial Year;	Rs. 29,65,230/-																		
(b) Amount unspent , if any;	NIL																		
(c) Manner in which the amount spent during the Financial Year.	<table><tr><th>Head of Expense</th><th>Amount</th><th>Item No. in Schedule VII of the Companies Act, 2013</th></tr><tr><td>Education including Farmers</td><td>15,86,482</td><td>(ii)</td></tr><tr><td>Farmers Call Centre</td><td>7,87,057</td><td>(x)</td></tr><tr><td>Infrastructure Support</td><td>9,26,087</td><td>(x)</td></tr><tr><td>Health Care</td><td>2,24,690</td><td>(i)</td></tr><tr><td>TOTAL</td><td>35,24,316</td><td></td></tr></table>	Head of Expense	Amount	Item No. in Schedule VII of the Companies Act, 2013	Education including Farmers	15,86,482	(ii)	Farmers Call Centre	7,87,057	(x)	Infrastructure Support	9,26,087	(x)	Health Care	2,24,690	(i)	TOTAL	35,24,316	
Head of Expense	Amount	Item No. in Schedule VII of the Companies Act, 2013																	
Education including Farmers	15,86,482	(ii)																	
Farmers Call Centre	7,87,057	(x)																	
Infrastructure Support	9,26,087	(x)																	
Health Care	2,24,690	(i)																	
TOTAL	35,24,316																		

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	Dr. Rahul Mirchandani	Dr. Jimmy Mirchandani	B. V. Dholakia
Date: 13th August, 2018	Chairman & Managing Director	Director	Director
	DIN-00239057	DIN-00239021	DIN-01871816

FORM NO. MGT – 9
EXTRACT OF ANNUAL RETURN
As on the financial year ended 31.03.2018

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / Services	NIC Code of the Product/ Service	% to total turnover of the Company
1.	Micro Nutrient Fertilizer-Manufactured	20129	68.61
2.	Micro Nutrient Fertilizer-Traded	20129	23.30

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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 01.04.2017				No. of Shares held at the end of the year 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.PROMOTERS									
(1) Indian									
a) Individual/HUF	6847926	0	6847926	52.66	6847926	0	6847926	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	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	6847926	0	6847926	52.66	6847926	0	6847926	52.66	0
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	6847926	0	6847926	52.66	6847926	0	6847926	52.66	0
B. PUBLIC SHAREHOLDING									-
1. Institutions									-
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	31965	0	31965	0.25	19306	0	19306	0.15	-39.60
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) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	31965	0	31965	0.25	19306	0	19306	0.15	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	950321	130875	1081196	8.31	513619	0	513619	3.95	-52.50
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	2862661	164961	3027622	23.28	3549760	128581	3678341	28.29	21.49
ii) Individual Shareholders holding nominal share capital in excess of ₹1 lakh	1579980	0	1579980	12.15	1470691	0	1470691	11.31	-6.92
c) Others Directors and Relatives	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2017				No. of Shares held at the end of the year 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
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	138483	0	138483	1.06	188589	0	188589	1.45	36.18
v) Clearing Members / Clearing House	291218	0	291218	2.24	122989	0	122989	0.95	-57.77
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	5949	0	5949	0.05	6800	0	6800	0.05	14.31
xi) IEPF	0	0	0	0	140453	15625	156078	1.20	100.00
Sub-Total (B)(2):	5828612	295836	6124448	47.09	5992901	144206	6137107	47.20	
Total Public Shareholding (B)=(B)(1)+(B)(2)	5860577	295836	6156413	47.34	6012207	144206	6156413	47.34	
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	12708503	295836	13004339	100.00	12860133	144206	13004339	100.00	-

(ii) **Shareholding of Promoters**

Shareholder's Name	No. of Shares held at the beginning of the year 01.04.2017			No. of Shares held at the end of the year 31.03.2018			% Change during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Jimmy Mirchandani	3524830	27.11	0	3434830	26.41	0	-2.55
Rahul Mirchandani	2623221	20.17	0	2713221	20.86	0	3.43
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
Total	6847926	52.66	0	6847926	52.66	0	0

(iii) **Change in Promoters' Shareholding**

Shareholder's Name	No. of Shares held at the beginning of the year 01.04.2017		Increase/Decrease during the year	No. of Shares held at the end of the year 31.03.2018	
	No. of Shares	% of total Shares of the company		No. of Shares	% of total Shares of the company
Jimmy Mirchandani	3524830	27.11	-90,000*	3434830	26.41
Rahul Mirchandani	2623221	20.17	+90,000*	2713221	20.86

**Dr Rahul Mirchandani purchased 90,000 Shares from Dr. Jimmy Mirchandani on 20.02.2018 through Market in Block Deal. Apart from that there was no change in the Promoter's Shareholding between 01.04.2017 to 31.03.2018.*

(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 01.04.2017		Shareholder's Name	Shareholding at the end of the year 31.03.2018	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1	VIJAY KISHANLAL KEDIA	360000	2.77	VIJAY KISHANLAL KEDIA	410921	3.16
2	VIJAY KISHANLAL KEDIA	238091	1.83	S. SHYAM	340818	2.62
3	SHASHI GUPTA	187700	1.44	VIJAY KISHANLAL KEDIA	300062	2.31
4	VRAMATH INVESTMENT CONSUNTANCY PVT LTD	165539	1.27	VIJAYA S	200000	1.54
5	S. SHYAM	152600	1.17	IEPF-MCA	156078	1.20
6	VIJAYA S	152000	1.17	KOUSHIK SEKAHR	71400	0.55
7	BMA WEALTH CREATORS LTD	128044	0.98	NAVKAR FINLEASE PVT LTD	70136	0.54
8	PALKHI INV. & TRDG CO. PVT LTD.	125000	0.96	B. LAVANYA	50000	0.38
9	SANKIRT HOLDINGS PVT LTD	106730	0.82	KLR VANIJYA PVT LTD	45995	0.38
10	ABHINAV GUPTA	95670	0.74	STOCK HOLDING CORPORATION OF INDIA LTD	34999	0.27
11	KOUSJIK SEKAHR	71400	0.55	EDELWEISS CUSTODIAL SERVICES LTD	32487	0.25

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

(v) **Shareholding of Directors and Key Managerial Personnel:**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year 01.04.2017		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		
	Directors						
1.	Dr. Jimmy Mirchandani	3524830	27.11	3434830	26.41	20.02.2018	Refer Note below
2.	Dr. Rahul Mirchandani	2623221	20.17	2713221	20.86	20.02.2018	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	0	0	0	0	NIL	N.A.
8.	Mr. Qaiser P. Ansari	5	0	5	0	NIL	N.A.

***Dr Rahul Mirchandani purchased 90,000 Shares from Dr. Jimmy Mirchandani on 20.02.2018 through Market in Block Deal. Apart from that there was no change in the Promoter's Shareholding between 01.04.2017 to 31.03.2018.**

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
Indebtedness at the beginning of the Financial Year			
1. Principal Amount	9,708.42	1,459.45	11,167.87
2. Interest Due but not Paid	-	-	-
3. Interest accrued but not due	0.70	9.41	10.11
Total(1+2+3)	9,709.12	1,468.86	11,177.98
Change in Indebtedness during the Financial Year			
1. Addition	3,878.24	-	3,878.24
2. Reduction	-	134.91	134.91
Net Change (1-2)	3,878.24	(134.91)	3,743.33
Indebtedness at the end of the Financial Year			
1. Principal Amount	13,582.62	1,325.42	14,908.03
2. Interest Due but not Paid	-	-	-
3. Interest accrued but not due	4.74	8.53	13.27
Total(1+2+3)	13,587.36	1,333.95	14,921.31

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 Gross Salary	120.86	120.86
	(b) Value of Perquisites u/sec 17 (2) Income Tax Act, 1961	7.26	7.26
	(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	-	74.00
5	Others, Please specify a) HRA b) Medical c) LTA d) Leave Salary e) Contribution to PF	12.89 10.07 10.13 - 14.50	9.60 7.36 7.36 7.36 5.30
	Total (A)	175.71	175.71

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.	Independent Directors				
	Prof. R. S. S. Mani	3.75	-	-	3.75
	Mr. C. B. Chhaya	2.93	-	-	2.93
	Mr. B. V. Dholakia	3.90	-	-	3.90
	Total (1)	10.58	-	-	10.58
2.	Other Non-Executive Directors				
	Dr. Jimmy Mirchandani	0.30	-	-	0.30
	Mrs. Nitya Mirchandani	2.40	-	-	2.40
	Total (2)	2.70	-	-	2.70
	Total (B)=(1+2)	13.28	-	-	13.28
	Total Managerial Remuneration	Rs. 188.99 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)
		Chief Financial Officer	Company Secretary & Senior V.P. (Legal)	
		Mr. S. Ramamurthy (₹ in Lakhs)	Mr. Qaiser P. Ansari (₹ in Lakhs)	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961	21.69	14.13	35.82
	(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	6.51	4.24	10.75
	b) Conveyance	3.03	1.17	4.20
	c) Medical	0.37	0.26	0.63
	d) LTA	1.40	1.13	2.53
	e) Leave Salary	1.40	1.13	2.53
	f) Bonus	3.22	1.13	4.35
	g) Incentive	6.73	2.12	8.85
	h) Contribution to PF	2.60	1.70	4.30
	Total	46.95	27.01	73.96

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

There were no penalties, punishment or compounding of offences for breach of any Section of Companies Act against the Company or its Directors or other Officers in default, if any, during the year ended 31st March, 2018.

For and on behalf of the Board,

Place: Mumbai
Date: 13th August, 2018

Dr. Rahul Mirchandani
Chairman & Managing Director
DIN-00239057

SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED MARCH 31, 2018

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representative during the conduct of Secretarial Audit, I hereby report that in my opinion the Company has during the year ended 31st March, 2018, 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;
- (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) Secretarial Standards Issued by The Institute of Company Secretaries of India
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I further report that

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

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

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

The company has formulated a Compliance Management System to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, which is ongoing and subject to continuous review. Prima facie these systems and processes in the company are adequate and are commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

PLACE : MUMBAI
DATE : 23rd May, 2018

A SEKAR
COMPANY SECRETARY
ACS 8649 CP 2450

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

'Annexure A'

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

PLACE : MUMBAI
DATE : 23rd May, 2018

A SEKAR
COMPANY SECRETARY
ACS 8649 CP 2450

REPORT ON CORPORATE GOVERNANCE

1. Corporate Governance Philosophy

The Company's Corporate Governance is aimed at ensuring Business Sustainability by striking a balance between Economic and Social goals and between Individual and Corporate goals. The Corporate Governance framework is to encourage the efficient use of resources, maintain an accountability and compliance of applicable Laws with a view to enhance value of all the Stakeholders. 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) 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:

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

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

Attendance of Directors at Board Meetings, last Annual General Meeting and number of Directorships and Chairmanships/ Memberships of Committees of each Director in various Companies as on 31st March, 2018 is as follows:-

Name of the Director & Designation and category	Attendance of Meetings during 2017-18		Directorship in other Public Companies incorporated in India	No. of Membership(s)/ Chairmanship(s) of Board Committees in other Companies	Inter Se Relation-ship
	Board Meetings Attended (Total 7 (seven) Held)	Last AGM held on 28 th September, 2017			
Dr. Rahul Mirchandani Chairman & Managing Director (Promoter)(CMD)	7	Yes	3	NIL	Brother of NED and Husband of NED
Dr. Jimmy Mirchandani Director (Promoter)(NED)	2	No	2	NIL	Brother of CMD
Prof. R. S. S. Mani Director Non Executive (Independent)	7	Yes	NIL	NIL	N.A.
Mr. Chakradhar Bharat Chhaya Director Non Executive (Independent)	7	Yes	3	2 (as Chairman)	N.A.
Mr. Bhumitra Vinodchandra Dholakia Director Non Executive (Independent)	7	Yes	2	5 (including 3 as Chairman)	N.A.
Mrs. Nitya Mirchandani Director Non-Executive (Promoter)(NED)	6	Yes	NIL	NIL	Wife of CMD

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

- (C) **Details of Equity Shares of the Company held by the Directors as on 31st March, 2018** are given below: {2(f) of Part C of Schedule V}

Name of the Directors	Number of Equity Share
Executive Directors	
Dr. Rahul Mirchandani	27,13,221
Non-Executive Directors	
Dr. Jimmy Mirchandani	34,34,830
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) Board Meetings

The Agenda and Background notes with supporting are circulated to the Directors well in advance of the Board Meetings and additional items, if any, are tabled at the course of the Board 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.

Seven Board Meetings were held during the year, on 03.04.2017, 27.04.2017, 30.05.2017, 09.08.2017, 14.09.2017, 14.11.2017 and 12.02.2018. The quorum was present through out at all the Meetings.

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

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

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

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

(E) Code of Conduct

The Company has adopted a Code of Conduct for the Members of the Board and the Senior Executives in compliance with the provision of Regulation 17(5) of 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 31-03-2018, and a declaration to that effect signed by the Chairman & Managing Director is attached and forms a part of this Report.

(F) Web link where details of familiarization Program to Independent Director

The web link for details of familiarization program to Independent Director is www.ariesagro.com

BOARD COMMITTEES

3. AUDIT COMMITTEE

Two third of the Members of the Committee are Non-Executive and Independent Directors. All the Members of the Audit Committee 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 SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The Committee acts as a link between the Management, Auditors and Board of Directors of the Company and has full access to financial information.

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

(ii) Composition, Name of Members and Chairperson

The Audit Committee comprises of the following Directors:

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

The composition of the Audit Committee was changed at the Board Meeting held on 03.04.2017 and Mrs. Nitya Mirchandani was inducted as a Member in place of Dr. Rahul Mirchandani.

The Chairman of the Audit Committee remains present at the Annual General Meeting. The previous Annual General Meeting of the Company was held on 28th September, 2017 and was attended by Mr. Bhumitra V. Dholakia, Chairman of the Audit Committee.

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

The Audit Committee met 6(six) times during the year on 03.04.2017, 30.05.2017, 09.08.2017, 14.09.2017, 14.11.2017 and 12.02.2018. Not more than four months had elapsed between any two meetings. The necessary quorum was present at all the Meetings.

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

Name of the Director	No. of meetings attended(held)
Mr. Bhumitra V. Dholakia	6(6)
Prof R. S. S. Mani	6(6)
Mrs. Nitya Mirchandani*	4(5)
Dr. Rahul Mirchandani**	1(1)

The composition of the Audit Committee was changed at the Board Meeting held on 03.04.2017 and Mrs. Nitya Mirchandani was inducted as a Member in place of Dr. Rahul Mirchandani.

***The Audit Committee Meeting held on 03.04.2017 was attended by Dr. Rahul Mirchandani.**

****Mrs. Nitya Mirchandani did not attend the Audit Committee Meeting held on 30.05.2018.**

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 are as under:**

- 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;
- To formulate criteria for evaluation of Independent Directors and the Board;
- to devise a policy on Board diversity;
- 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.
- 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.

(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 2017-18, the Committee met 4(four) times on 03.04.2017, 27.04.2017, 14.11.2017 and 12.02.2018.

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

Name of the Director	No. of meetings attended(held)
Mr. C. B. Chhaya	4(4)
Prof R. S. S. Mani	4(4)
Mr. Bhumitra V. Dholakia	4(4)

- (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. And 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 framework 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

1. *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.*
2. *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.*
3. *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.*
4. *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.

Incase 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 30th May, 2014.

e) 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.

5. Meeting of Independent Directors

2(Two) separate meetings of the Independent Directors were held on 30.05.2017 and 12.02.2018, 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.

(vi) Details of Remuneration paid to the Directors for the year ended 31st March 2018.

i) Managing Director

The Agreements 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 31st March, 2020.

The total remuneration paid to the Managing Director during the year 2017-18 was as under: (Rupees)

Name	Salary	Commission	Contribution to Provident Fund/ Gratuity	Total
Dr. Rahul Mirchandani Chairman & Managing Director	1,61,20,305	--	14,50,266	1,75,70,571

Notes:

- The Agreements 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 31st March, 2020. Either party to the Agreement was entitled to terminate by giving the other party a notice of 3 months.
 - 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.
 - Presently, the Company does not have a scheme for grant of Stock Options to its Working Directors
 - The Managing Director is entitled to Commission within the overall limit prescribed under Section 197 of the Companies Act, 2013.
- 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 2017-18, the Company has paid total Sitting Fee of Rs. 13,27,500/- to Non Executive Directors as under:

Dr. Jimmy Mirchandani	Rs. 30,000.00
Prof. R. S. S. Mani	Rs. 3,75,000.00
Mr. C. B. Chhaya	Rs. 2,92,500.00
Mr. B. V. Dholakia	Rs. 3,90,000.00
Mrs. Nitya Mirchandani	Rs. 2,40,000.00

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.

5. STAKE HOLDERS RELATIONSHIP COMMITTEE

- The Company has a Stake Holders Relationship Committee pursuant to provisions of Section 178(5) of the Companies Act, 2013 and Listing Regulations.
- The Stake Holders Relationship Committee has been constituted to specifically look into redressing the Shareholders and Investors' Complaints or Grievances.
- The Committee met once during the year on 12th February, 2018.

- 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 2017-18	
		Held	Attended
Mr. C. B. Chhaya Chairman	Independent, Non-Executive	1	1
Dr. Jimmy Mirchandani Member	Non-Independent, Non-Executive	1	0
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

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

Aries House, Plot No. 24, Deonar

Govandi(E), Mumbai-400 043

Phone No. 022 2556 4052/53/62580505

Fax No. 022 2556 4054/25571711

- vii) A statement of various Complaints received and cleared by the Company during the year ended on 31st March, 2018 is given below:

	Nature of Request/Complaint	Opening	No. of Requests/ Complaints	Redressed	Pending
	A: REQUESTS				
1.	Change/Correction of Address	0	1	1	0
2.	Request for Transmission	0	1	1	0
3.	Request for status of Dividend(Unclaimed Dividend)	0	5	5	0
4.	Request for issue of DD against D/W	0	1	1	0
	TOTAL	0	8	8	0
	B: COMPLAINTS	0	0	0	0
	TOTAL	0	0	0	0
	GRAND TOTAL	0	8	8	0

- viii) The "SCORES" website of SEBI for redressing of Grievances of the investors is being visited at regular intervals by the Company Secretary. One Complaint relating to the inadvertent typographical error in the published Results of 31.03.2017 with respect to the Earning Per Share was received through SCORES during the Financial Year 2017-18 which was 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.

- x) The Web Site address of the Company is www.ariesagro.com.

5A. 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 was constituted on 2nd April, 2014 comprising of the following Directors:

- Dr. Rahul Mirchandani, Non-Independent, Executive
- Dr. Jimmy Mirchandani, Non-Independent, Non-Executive
- Mr. Bhumitra V. Dholakia, Independent, Non-Executive

*** Dr. Rahul Mirchandani was appointed as the Chairman w.e.f. 03.04.2017. There is no change in the composition of the Committee.**

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

- 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;
- to recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- 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 9th August, 2017.

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 2017-18	
		Held	Attended
Dr. Rahul Mirchandani Chairman	Non-Independent, Executive	1	1
Dr. Jimmy Mirchandani Member	Non-Independent, Non-Executive	1	0
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 28th January, 2010 to consider and approve financial needs (borrowings of the Company from time to time and negotiate the Terms and Conditions with the Banks/Financial Institutions, avail the Credit Facilities and finalize and sign Agreements, Deeds, Documents etc with the Banks/Financial Institutions.

The Committee consists of the following members:

Dr. Rahul Mirchandani : Chairman

Mr. C. B. Chhaya : Member

Mrs. Nitya Mirchandani : Member

The composition of the Treasury Committee was changed at the Board Meeting held on 03.04.2017 and Mrs. Nitya Mirchandani was inducted as a Member in place of Dr. Jimmy Mirchandani and Dr. Rahul Mirchandani was appointed as the Chairman.

The Committee did not have any meetings during the year 2017-18.

c) **Risk Management Committee**

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

6. **GENERAL BODY MEETINGS**

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

Financial Year ended	Date	Time	Venue	Details of Special Resolutions
31 st March, 2015	30.09.2015	10.00 a.m.	The Chembur Gymkhana, 16 th Road, Chembur, Mumbai-400 071	1. Re-appointment of Dr. Jimmy Mirchandani as the Managing Director and revision in remuneration for a period of 3(three) Years commencing from 1 st October, 2015 upto and inclusive of 30 th September, 2018. 2. Re-appointment of Dr. Rahul Mirchandani as the Executive Director and revision in remuneration for a period of 3(three) Years commencing from 1 st October, 2015 upto and inclusive of 30 th September, 2018.
31 st March, 2016	30.09.2016	10.00 a.m.	The Chembur Gymkhana, 16 th Road, Chembur, Mumbai-400 071	NONE
31 st March, 2017	28.09.2017	10.00 a.m.	The Chembur Gymkhana, 16 th Road, Chembur, Mumbai-400 071	Appointment of Dr. Rahul Mirchandani as the Managing Director for 5(five) years from 4 th April, 2017 to 31 st March, 2022 and approval of remuneration for a period of 3(three) Years from 4 th April, 2017 to 31 st March, 2020.

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

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

7. **DISCLOSURES**

(i) **Related Party Transactions**

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

The Board has approved a Policy for Related Party Transactions.

All the transactions with Related Parties are periodically approved by the Audit Committee. The Register of Contracts detailing transactions in which Directors are interested is placed before the Board at every Meeting for its approval. Transactions with Related Parties, as per requirements of Ind AS 24 are disclosed in Note No. 37 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) **Tenure of Independent Directors:** All three Independent Directors have been appointed for a term of 5(five) years in the Forty Fourth Annual General Meeting held on 26th September, 2014 and will hold office upto 25th September, 2019.
- (c) **Nomination and Remuneration Committee:** The Company has set up a Nomination and Remuneration Committee consisting of three Non Executive Independent Directors. Please see the paragraph on Nomination and Remuneration Committee.
- (d) **Shareholders' rights:** Un-Audited Quarterly Financial Results and Summary of Significant Events are posted on the website of the Company.
- (e) **Audit Qualification:** The Auditors remarks if any are explained in the Board's Report and necessary actions are also taken by the Company when required. The Company shall endeavor to have unqualified Financial Statements. There is no qualification in the Auditors Report in the current year.

There have been no qualifications by the Auditors in their report on the Accounts of the Company for the last 8(Eight) years. The Company shall endeavor to continue to have unqualified financial statements.

- (f) **Separate posts of Chairman and CEO—**The Articles No. 179 of the Articles of Association permits the Managing Director to hold the office of the Chairman.
- (g) **Reporting of Internal Auditor** Partner of the firm of Internal Auditor attends the meetings of the Audit Committee regularly and directly interacts with the Audit Committee.

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

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

(i) **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.

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

Not Applicable

(k) **CMD/CFO Certification**

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

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

The Members of the Board and Senior Management Personnel have affirmed the Compliance with the Code applicable to them during the year ended 31st March, 2018. The Annual Report of the Company contains a Certificate by the Chairman and Managing Director in terms of Listing Regulations based on compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management Personnel.

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

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

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

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

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

10. As per 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.

11. SUBSIDIARY COMPANIES

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

12. MEANS OF COMMUNICATION

Means of Communication:

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

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

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

The Company usually publishes its financial results in following newspaper

1. The Financial Express
2. Apla Mahanagar

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

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

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

Quarterly Report for the quarter ended	Submitted to BSE Ltd. Through their portal	Submitted to National Stock Exchange of India Ltd through NEAPS
30 th June, 2017	3 rd July, 2017	3 rd July, 2017
30 th September, 2017	2 nd October, 2017	2 nd October, 2017
31 st December, 2017	3 rd January, 2018	3 rd January, 2018
31 st March, 2018	5 th April, 2018	5 th April, 2018

(iv) **Release of Official News**

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

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

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

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

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

13. GENERAL SHAREHOLDERS INFORMATION

(i) **Annual General Meeting**

The 48th Annual General Meeting of the Shareholders will be held on Friday, 28th September, 2018 at 10.00 a.m.

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

(ii) **Financial Calendar:-**

For the year ending 31st March, 2019 the Financial Results will be announced on:

First Quarter : On or before 14th August, 2018

Half year : On or before 14th November, 2018

Third Quarter : On or before 14th February, 2019

Yearly : On or before 30th May, 2019

(iii) **Date of Book Closure:** - Saturday, 15th September, 2018 to Friday, 28th September, 2018 (both days inclusive)

(iv) **Dividend**, if any, declared by the Members in the ensuing Annual General Meeting will be paid on 24th October, 2018.

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

During the year Unpaid/Unclaimed Amount of Rs. 3,75,083/- in respect of Unpaid/Unclaimed Dividend-2009-10 was transferred to Investor Education and Protection Fund (IEPF) on 27th October, 2017. Similarly, Unpaid/Unclaimed Amount of Rs. 2,57,387/- in respect of Unpaid/Unclaimed Interim Dividend-2010-11 was transferred to Investor Education and Protection Fund (IEPF) on 28th March, 2018.

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 1,40,453 Equity Shares of 10/- each, to the credit of IEPF Authority, on 28th/30th November, 2017, 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. 22nd October, 2017. 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 2010-11.

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

Unclaimed Dividend	Status	Whether it can be claimed	Can be claimed from	Action to be taken
For the Financial Year 2007-08	Transferred to Investor Education and Protection Fund Account	No (As per Section 205C of the Companies Act, 1956, No claim shall lie against the Fund) N.A.	N.A.	N.A.
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 2016-17	Lying in respective Unpaid Dividend Accounts	Yes	M/S Aarthi Consultants Private Limited, Registrars and Transfer Agents 1-2-285, Domalguda, Hyderabad-500 029 040-27634445/8111/ 27642217	Letter on plain paper

Pursuant to the provision of the Investor Education and Protection Fund (Uploading of Information Regarding Un-Paid/Un-Claimed amounts lying with Companies), Rules, 2012, the Company has hosted on its website i.e. www.ariesagro.com and on the web site of the Ministry of Corporate Affairs the details of the Unclaimed Dividend as on the AGM dated 28.09.2017.

- (viii) The date of declaration of dividend in respect of Financial Years 2009-10 to 2015-16 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
2010-11 (Final)	29 th September, 2011	10%	4 th October, 2018	5 th October, 2018
2011-12	28 th September, 2012	15%	3 rd October, 2019	4 th October, 2019
2012-13	30 th September, 2013	15%	5 th October, 2020	6 th October, 2020
2013-14	26 th September, 2014	20%	1 st October, 2021	2 nd October, 2021
2014-15	30 th September, 2015	20%	5 th October, 2022	6 th October, 2022
2015-16	30 th September, 2016	15%	5 th October, 2023	6 th October, 2023
2016-17	28 th September, 2017	20%	3 rd October, 2024	4 th October, 2024

*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.
- (x) Shareholders are requested to get in touch with the Registrars for encashing the unclaimed dividend amount, if any, standing to the credit of their account.
- (xi) 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. Ministry of Corporate Affairs has recently notified Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 which have come into force from February 28, 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.

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 5th October, 2018. 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 2010-11(Interim Dividend) 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.

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

- (xiii) ISIN NO. : INE298I01015

Scrp Code : BSE - 532935

NSE - ARIES

- (xiv) **Listing Fee:** The Listing Fee for the financial year 2017-2018 has been paid to the above Stock Exchanges.

The Listing Fee for the financial year 2018-2019 have also been paid to the above Stock Exchanges.

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

Monthly Share Price Data of the Company's shares on BSE for the year ended 31st March, 2018

Month	Highest		Lowest	
	Rate (Rs.)	Date	Rate (Rs.)	Date
April, 2017	168.80	24.04.2017	149.30	05.04.2017
May, 2017	166.00	02.05.2017	140.00	31.05.2017
June, 2017	174.45	12.06.2017	132.00	09.06.2017
July, 2017	159.00	12.07.2017	143.80	28.07.2017
August, 2017	158.00	31.08.2017	128.55	11.08.2017
September, 2017	173.80	20.09.2017	145.00	22.09.2017 & 28.09.2017
October, 2017	290.15	24.10.2017	148.10	04.10.2017
November, 2017	267.55	01.11.2017	220.00	28.11.2017 & 29.11.2017
December, 2017	260.00	26.12.2017	216.20	06.12.2017
January, 2018	254.90	08.01.2018	218.05	29.01.2018
February, 2018	236.65	01.02.2018	186.00	07.02.2018
March, 2018	213.55	01.03.2018	173.65	09.03.2018

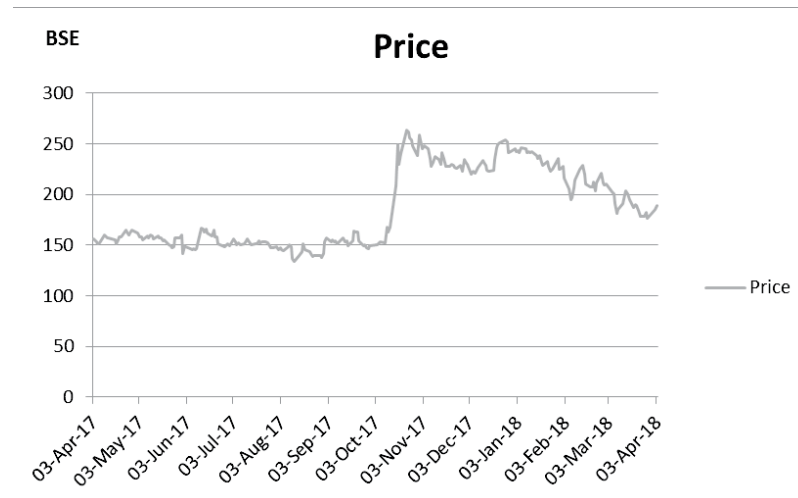
Monthly Share Price Data of the Company's shares on NSE for the year ended 31st March, 2018

Month	<u>Highest</u>		<u>Lowest</u>	
	<u>Rate (Rs.)</u>	<u>Date</u>	<u>Rate (Rs.)</u>	<u>Date</u>
April, 2017	168.90	24.04.2017	148.55	05.04.2017
May, 2017	166.20	02.05.2017	139.50	31.05.2017
June, 2017	174.90	12.06.2017	142.45	01.06.2017
July, 2017	159.50	03.07.2017	143.65	28.07.2017
August, 2017	159.00	31.08.2017	122.70	10.08.2017
September, 2017	167.50	19.09.2017	143.60	25.09.2017
October, 2017	292.80	24.10.2017	147.70	04.10.2017
November, 2017	267.60	01.11.2017	215.10	27.11.2017
December, 2017	258.00	21.12.2017	214.00	18.12.2017
January, 2018	255.00	08.01.2018	220.00	25.01.2018
February, 2018	239.00	01.02.2018	190.00	07.02.2018
March, 2018	213.50	01.03.2018	172.25	28.03.2018

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

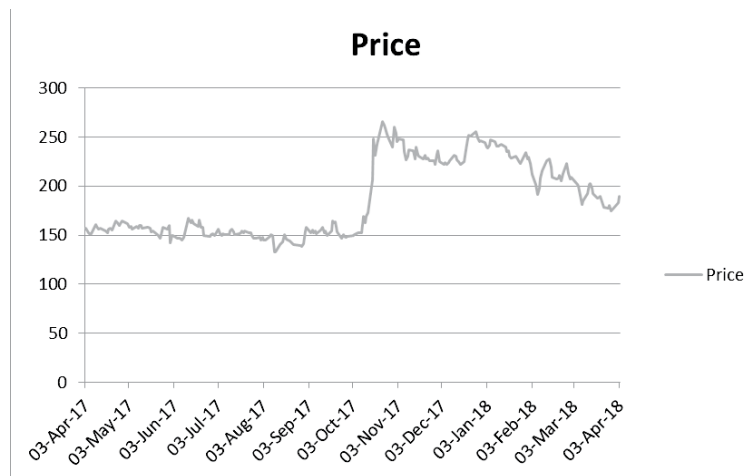
BSE

Historic Graph of Aries Agro on BSE



NSE

Historic Graph of Aries Agro on NSE



(xvi) **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@aarthiconsultants.com

(xvii) **Share Transfer System**

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

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

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

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

above 5000 Shares : Stake Holders Relationship Committee

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

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

(xviii) (1) **Distribution of Share Holding as on 31st March 2018**

SL NO	CATEGORY	HOLDERS	HOLDERS PERCENTAGE	SHARES	AMOUNT	AMOUNT PERCENTAGE
1	1 - 5000	11106	87.02	1251245	12512450	9.62
2	5001 - 10000	899	7.04	703767	7037670	5.41
3	10001 - 20000	394	3.09	592174	5921740	4.55
4	20001 - 30000	113	0.89	288983	2889830	2.22
5	30001 - 40000	63	0.49	223543	2235430	1.72
6	40001 - 50000	52	0.41	243258	2432580	1.87
7	50001 - 100000	88	0.69	630360	6303600	4.85
8	100001 & Above	47	0.37	9071009	90710090	69.75
	Total:	12762*	100	13004339	130043390	100

**Prepared based on the PAN*

(2) Distribution of shareholding according to categories of shareholders as on 31st March, 2018

Categories	No. of Shares	Amt. in Rs.	% to Total
Promoters	6847926	68479260	52.66
Directors (Independent)	--	--	--
Financial Institutions/ Banks	19306	193060	0.15
Mutual Funds / UTI	--	--	--
NRIs / OCBs/FIIs	188589	1885890	1.45
Other Bodies Corporate	513619	5136190	3.95
Public	5434899	54348990	41.79
Total	13004339	130043390	100.00

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

Sr. No.	Name of the Companies	Shareholding of the Company as on 31.03.2018
1.	Sreeni Agro Chemicals Ltd.	NIL
2.	Aries Marketing Ltd.	NIL
3.	Blossoms International Ltd.	NIL
4.	Aries East-West Nutrients Pvt. Ltd.	NIL

(xx) Subsidiary Companies

A list of Subsidiary Companies is given in Note No. 37 of the Notes to Accounts forming part of the Annual Report.

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

(xxi) Details of Demat Shares as on 31st March, 2018

Name of Depository	No. of Shareholders	No. of Shares	% of Capital
NSDL	7654	10415173	80.09
CDSL	5142	2444960	18.80
Sub-Total	12796	12860133	98.89
Physical Mode	201	144206	1.11
Grand Total	12997*	13004339	100.00

*Actual Count

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

(xxiii) Plant Location: -

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

(xxiv) 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@aarathiconsultants.com

- ii) For grievance redress and any query

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

Aries Agro Limited

Aries House, Plot No. 24,

Deonar, Govandi (E)

Mumbai – 400043

Tel: 022 25564052 / 53/62580505

Fax: 022 25564054

Email: investorrelations@ariesagro.com

Web Site: www.ariesagro.com

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

CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AUDITORS' CERTIFICATE

To the Members of Aries Agro Limited

We have examined the compliance of the conditions of Corporate Governance by Aries Agro Limited for the year ended 31st March, 2018, 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

Sandeep Sheth
Proprietor
Membership No. 101903
Mumbai
Date: 13th August, 2018

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 2017-18.

Dr. Rahul Mirchandani
Chairman & Managing Director
DIN-00239057
Date: 13th August, 2018

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

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

- (a) We have reviewed the Financial Statements and the Cash Flow Statement for the Year ended on 31st March, 2018 and that to the best of our knowledge and belief we state that :-
 - i. These Statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading.
 - ii. These statements together present a True and Fair view of the Company's affairs and are in compliance with existing Accounting Standards, Applicable Laws and Regulations.
- (b) We further state that to the best of our knowledge and belief there are no transactions entered into by the Company during the year, which are Fraudulent, Illegal or Violative of the Company's Code of Conduct. We hereby declare that all the Members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- (c) We are responsible for establishing and maintaining Internal Controls for Financial Reporting and for evaluating the effectiveness of the same over the Financial Reporting of the Company and have evaluated the effectiveness of Internal Control Systems of the Company pertaining to Financial Reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of Internal Controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
 - i. There have been no significant changes in the Internal Controls over Financial Reporting during the year.
 - ii. There have been no significant changes in the Accounting Policies made during the year and that the same has been disclosed in the Notes to the Financial Statements; and
 - iii. There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an Employee having significant role in the Company's Internal Control System over Financial Reporting.

Dr. Rahul Mirchandani
Chairman & Managing Director
DIN-00239057

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

Mumbai
13th August, 2018

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 recorded below normal rainfall to the tune of 95% of the LPA (Long Period Average). However, July and August witnessed some of the worst floods in Gujarat, South Rajasthan, Assam, Bihar, parts of Uttar Pradesh and Odisha. This was followed by a long prolonged dry spell in September across India during the first half of the month. Post this, rain picked up only in South India and remaining part of the country remained dry. Despite good start cumulative rainfall was deficient by 29% in Uttar Pradesh followed by 26% in Haryana and 22% in Punjab. Eastern India also remained deficient by almost 25 – 33%. The tremendously erratic weather conditions led to the Company needing to continuously modify and align sales strategies to ensure growth in all regions. With these efforts the company managed to increase its revenue (gross) by 15.40 % from Rs.277/- Crores to Rs.320/- Crores. On a consolidated basis, international sales were limited due to suspension of manufacturing in UAE facilities and installation of like manufacturing capacities in India.

MANUFACTURING BASE

The total capacity utilization currently stands at 61% of the total installed capacity of 95,400 MT p.a. in India. During the year under review with the expanded manufacturing capacity in Hyderabad and Chhatral facilities due to reinstallation of similar machineries like the UAE units, the import substitution led to a significant improvement in manufacturing cost efficiency.

The manufacturing unit at Fujairah, UAE continued to have suspended operations due to continued lack of power and movement restrictions in key raw material inputs. A final decision on similar shifting of this Unit to an alternate location in India shall be done in 2018-19. In the meanwhile, fixed costs have been reduced to the bare minimum in UAE. Increased focus on the strengthening of Indian manufacturing base has been extremely beneficial to improve the profitability of the Company.

HIGHLIGHTS & KEY EVENTS

HIGHLIGHTS

Financial Year 2017-18 was characterized by erratic demand scenario with significant monthly changes in growth patterns. However, the quarterly growth in revenue is as under:

Particulars	Percentage Share in Annual Revenue	Percentage Growth V/s. Previous Year
Q 1	21.11	7.46
Q 2	30.05	25.38
H 1	51.16	17.31
Q 3	32.04	29.50
Q 4	16.80	(8.19)
H 2	48.84	13.47
Annual	100	15.40

Cost control measures strengthened along with continued focus on domestic manufacturing increase in profitability (PAT) by 19.47 percentage.

The Company continued to create a healthy order book during the month of April and May by conducting regional flash sales and booking bazaars. This resulted in order book of Rs.398/- Crores being created before the onset of kharif season. The conversion expected is 75 to 80% of this order book and expect to achieve total gross revenue of Rs.350/- Crores.

Seven New Products namely Borocan, Boromag, Zincbor, Teamin, Coffeemin, Knight and Antox were introduced during the Financial year. Some of the products introduced in the past are as follows:

Name of the product	Introduced Year	Revenue growth over the introduced years
Crackguard	2016-17	73.23 %
Tracemin	2016-17	14.70 %
K-phonic	2016-17	5.26 %
Calcomag	2015-16	18.33 %

Orders received during these booking bazaars resulted in better working capital management with 4 days reduction in debtors and inventory combined.

On a consolidated basis despite the restructuring of international operations consolidated P&L showed an increase of 48.48% in PAT in comparison with the previous Financial Year.

KEY EVENTS

The following were key events during the year;

- Flash sales were conducted at Delhi, Amritsar, Goa, Bhubaneshwar, Guntur, Vishakhapatnam and Kolkata. This resulted in 1250 number of dealers and distributors from 23 states participating in the booking bazaars leading to 305.88 Crores of order booked for FY 2017-18.
- All India planning meeting was conducted at Jaipur with top management, region and state heads and strategic partners to finalize plans for 2017-18.
- The Largest training programme spread over 4 days for extension and market development with dealers and distributors from across India was held at the ITM University campus at Warangal from 15th to 18th June, 2017. 410 Nos. of staff participated in a series of 71 sessions conducted by 19 Nos. of faculty on topics including technical and commercial training.
- The Company had several training programmes for GST transition and made transition to taxation system within a record 72 hours with minimal impact on sales and dispatches.
- Cardamom Planters Meeting was conducted in Kerala to introduce range of specialized products for tea plantation in July 2017.
- The Company was selected to be part of the Agricultural Task Force put together by the Champions of Change initiative of NITI Aayog and the Prime Minister's office. Over the course of deliberations on the 21st and 22nd of August extensive inputs were provided on behalf of the specialty plant nutrition industry and policy enablers to grow our industry. These were presented to the Hon'ble Prime Minister and council of Ministers in Delhi.

- Second booking bazaar was conducted for the eastern region in September 2017 followed by road shows in Pune, Patna, Ranchi, Indore and Ahmedabad.
- In the month of October technical training and market development activities took place in Vietnam and Nepal. These were extremely well received by these importing markets.
- On 27th November Aries Agro Limited celebrated its Foundation Day with a series of CSR activities across India.
- During February 2018 the Company conducted series of focused group meetings with progressive farmers and young growers from across India to involve them in good agricultural practice development for key crops.
- On 8th March, 2018 Aries had industry interactive session on "Impact Assessment of CSR Interventions" with MBA students from Georgetown University's McDonough School of Business, USA.

RECOGNITION:

- Aries was awarded with an appreciation Certificate for excellence in "Sustainable Environmental Initiatives" by the Bombay Chamber of Commerce & Industry.
- For Thirteen 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 25.31% of its total raw materials from overseas suppliers located in Taiwan, UAE, China, Belgium, Malaysia and UK. Imports constitute 21.36% of our total purchases and our Company has identified a pool of reliable overseas suppliers.

COST MANAGEMENT

Though trade scheme as a percentage of sales increased by 0.16%, overall profitability stood at 5.35% of Net sales, PAT increased by 19.47% compared to the previous Financial Year. 4.42% of Gross Sales margins (EBIDTA) improved from 18.02% to 18.41%, an increase of 17.67% over the previous year.

MAN POWER

The total Man Power of the Company increased from 822 to 868 during the year under review. Stringent norms has been set for performance appraisals and manpower costs were in line with pre-sanctioned budgets and funds are released only based on the progress of the season.

GLOBAL DISTRIBUTION:

International clients are located in Bangladesh, Nepal, Vietnam & Taiwan. Distributors in Nepal and Vietnam have invested in branding and promotion of our range of products in their respective countries. The total exports and global sales constituted 8.89% of our group revenue during the Financial Year 2017-18.

OUTLOOK:

2018 monsoons are expected to be normal and the Company is hopeful of achieving good growth in revenues and profitability. The Company conducted its digital flash sale first time this year with “App only” bookings leading to participation of 1400 Nos. of dealers/distributors from all states with a total booking of Rs.398/-crores for 2018-19. This marks the introduction of successful digital sales promotion techniques by the Company. The current year also began by re-launching Arisil, Plantex- CN, Hydropro gold, Magmix, Orgabor, Aquacal, Zincmag, Agromin soil plus, Chelamin gold agricultural products in specially designed aqua culture branding. The urban farming facility using hydroponics also became fully operational during the current year with two harvests being successfully undertaken for a variety of crops including varieties of Basil, Pokchoi, Cherry Tomatoes, Lettuce, Coloured Capsicum and Micro Greens. The R&D team also created specially designed nutrition solutions for soil free farming and this have been used in our own research facilities as well as in some commercial hydroponic farms. The Company has also introduced Coffeemin and Teamin specially designed for the requirements of these plantations and is keen to introduce similar customized nutrition products progressively.

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 behaviours together form the Aries Risk Management Systems (ARMS) that governs how the Company conducts its business and manages associated risks.

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

INTERNAL CONTROL SYSTEM

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

THREATS AND OPPORTUNITIES

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

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

FINANCIAL PERFORMANCE:

The Company's Sales Turnover for the financial year ended March 31, 2018 increased to Rs. 31,988.68 Lakhs from Rs. 27,719.13 Lakhs in the previous year, reflecting an increase of 15.40%.

Total expenses for the year was Rs. 24,683.70 Lakhs as against Rs. 21,282.99 Lakhs in the previous year.

Profit Before Tax increased to Rs. 2,177.29 Lakhs during the year as against Rs. 1,834.36 Lakhs in the previous year.

Tax provision for the year was Rs. 762.40 Lakhs as against Rs. 650.01 Lakhs in the previous year which translates to 2.88 % on FY 17-18 Sales.

Profit After Tax for the year was Rs. 1,414.89 Lakhs as against Rs. 1,184.35 Lakhs in the previous year which is 5.35 % of FY 17-18 Sales.

RESOURCES AND LIQUIDITY:

As on March 31, 2018, the net worth of the Company stood at Rs. 14,619.29 Lakhs as against Rs.13,510.21 Lakhs.

As on March 31, 2018, the Company had a Debt / Equity ratio of 1.02. The Company has not raised any Deposits from the public.

HUMAN RESOURCES:

As at the end of the financial year there were 868 employees under the permanent rolls and 224 plus under contract. We have an ongoing arrangement with few labour supplier organizations for our various locations.

We have 129 workers in our permanent employment and sizeable numbers on contract, working in our factories. The detailed breakup of the same is as under:

Sr. No.	Particular	Employees
1.	Skilled	24
2.	Semi-Skilled	6
3.	Unskilled	99
	Sub- Total	129
4.	Contract Labour	224
	TOTAL	353

The Department wise breakup of our manpower is as under:

Sr. No	Name of the Department	No. of Staff
1.	Directors	01
2.	Accounts, Personnel & Administration, Legal & Secretarial	147
3.	Production(Staff and Workers), R&D and Spray Dryer Operators	195
4.	Sales	525
	TOTAL	868

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 66532 units of power during the Financial Year 2017-18, of which 58,441 units were consumed by the facility and the balanced of 8091 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

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 2017-18 in addition to some philanthropic activities.

FOCUS AREAS OF ENGAGEMENTS

INFRA STRUCTURE SUPPORT FOR EDUCATION:

- Constructed girl's washroom at ZPH School in Peddavoora Nalgonda District, Telangana.
- Constructed 2 Bathrooms at Ravi Shankar Seva Mandir School, Puttakota Village and carried out repairs & painting of 5 existing unused Bathrooms at Police CAP School, Guntur, Andhra Pradesh
- Distributed Computer desktops, school uniforms, exam pads, geometry boxes, books, bath bucket, mugs, dustbin, etc for the students of Police CAP School (Orphans and single parent children), Guntur.
- Constructed classrooms at Zilla Parishad high School Adapaka, Laveru Mandal, Srikakulam District, Andhra Pradesh.
- Provision of computers at five schools namely, Kumar Vidyamandir - Duttwad, Shree Govind Primary Ashram School - Nanded, Zilla Parishad Primary School - Sholapur, Zilla Parishad Primary Centre School - Sholapur and Late Sonabhai Balgonda Patil High School - Kolhapur, across various parts of Maharashtra.
- Provision of Water tank and RO at Shri Gandhi Samarak Inter School, Hapur, Uttar Pradesh and Zilla Parishad School at Jaulke, Dindori, Nashik, Maharashtra.
- Supply of benches at ZPH School & BMMR Primary School at Chilakaluripet, Andhra Pradesh.
- Educational kits for underprivileged children at Shree Hariharaputra Bhajan Samaj, Mumbai.

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 of staff.
- In addition, a series of awards were distributed in R. A. Podar College of Commerce & Economics, Matunga, Mumbai for the meritorious students in the Bachelor of Management Studies programme. Have been distributing these awards since the last 16 years in the name of Aries' founder, Late Bala Mirchandani.

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, 1247 number of farmers called the call center at Vijayawada with queries on integrated nutrient management, pest management, soil health and post harvest management, etc were answered by the 4 call center executives. In addition, the Company has added call center numbers on all literature and promotional materials and is extending the reach of this call center to other states across India.

SPREADING KNOWLEDGE:

- Aries' extension team continues to strongly advocate good agricultural practices in all states of India. The activities are conducted under the supervision of Agronomist and Agricultural Research Institutions throughout the year. During the year under review 13,351 knowledge dissemination activities including farmers meeting were undertaken impacting 91,800 number of farmers. These sessions were conducted by team of 138 extension officials spread across 26 states.
- Farmers' meeting and training programmes on good agricultural practices were conducted at Andhra Pradesh, Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Gujarat, Karnataka, Rajasthan, Haryana, Uttar Pradesh, Himachal Pradesh, Punjab, Bihar, Odisha, Jharkhand, West Bengal, Tamil Nadu, Kerala and Jammu & Kashmir. The unique feature of these events have been that they had participation on a common intellectual platform from top government officials, opinion leaders, academia, research scholars, scientists, agribusiness students and farmers from across the states.
- Distributed Fruits and Flower Plant at Garden Nursery Challapalli, Vijaywada,

HEALTH CARE:

During the year ration kit and medicines were distributed among flood affected people at at Banskataha, Gujarat and South 24 Parganas, West Bengal.

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 2700 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 was represented at various industry bodies including Confederation of Indian Industry's Agricultural Council, Confederation of Indian Industry's Innovation Council, Indian Micro-Fertilizers Manufacturers Association (IMMA) and Fertilizer Association of India (FAI). At these forums, the Company advocated that balanced plant nutrition being recognized as a national imperative. It has also conducted various sessions with key influencers to promote the systematic spread of world class farmers' education and skilling programmes. The Company believes that the spread of knowledge is an essential part of its responsibility towards society development and nation building.

CSR ACTIVITIES- IMPACT ANALYSIS	
BUSINESS STRATEGY	<ul style="list-style-type: none"> Growth in product range Increasing awareness amongst customers n balanced nutrition Expansion into unserved markets
CSR VISION	<ul style="list-style-type: none"> 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"> Welfare measures for employees & families. Social and Cultural Development by way of education and training, especially with regards to farming. Environmental sustainability
OBJECTIVES	<ul style="list-style-type: none"> Yearly achievable goals set in advance for each activity.
ACTIVITIES	<ul style="list-style-type: none"> Education : <ul style="list-style-type: none"> Farmer's Education to 91,800 Distribution of education kits/gifts to Approx 450 students Academic Sponsorships to 9 schools Support Services to 9 schools Infrastructure Support: <ul style="list-style-type: none"> Construction / Repairs School building- 01 Washrooms- 08 Water Tank / RO- 01 Benches in schools- 01 Health Care: <ul style="list-style-type: none"> Distribution of ration kit/ medicines To Approx 2000 people in Gujarat & Bengal during floods. Environment: <ul style="list-style-type: none"> Distribution of saplings. Tree Plantation- 05 states

OUTPUT	<ul style="list-style-type: none"> People benefited from various activities carried out by Aries Agro.
IMPACT	<ul style="list-style-type: none"> Aries with its extensive distribution network has so far impacted around 9 lakh farmers and the community at large through various initiatives taken up under their CSR activities
COMMUNICATION	<ul style="list-style-type: none"> Website Extension activities Training Programmes

CSR EXPENDITURE DURING THE YEAR 2017-18

Head of Expense	Amount (Rs.)
Education including farmers	15,86,482/-
Farmers Call Centre	7,87,057/-
Infrastructure Support	9,26,087/-
Health Care	2,24,690/-
TOTAL	35,24,316/-

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ARIES AGRO LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **ARIES AGRO LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including other comprehensive income), statement of changes in equity and the Statement of cash flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order issued under section 143(3) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's

preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

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

- (a) in the case of the Balance Sheet, of financial position of the Company as at 31st March, 2018;
- (b) in the case of the Statement of Profit and Loss, of the financial performance including other comprehensive income of the Company for the year ended on that date;
- (c) in the case of the statement of changes in equity, of the changes in equity for the year ended on that date; and
- (d) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purposes of our audit have been received from the branches not visited by us].
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 Ind AS 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.
 - iv. The reporting on disclosures relating to specified bank notes is not applicable to the company for the year ended 31st March, 2018.

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

Sandeep Sheth
Proprietor
Membership No. 101903

Place : Mumbai
Date : 23rd May, 2018

ANNEXURE- A TO INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2018, we report that:

- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) These fixed assets were physically verified by the management at reasonable intervals. We have been informed that no material discrepancies were noticed on such physical verification.
(c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- ii. According to the information and explanations provided to us, the stock of inventory has been physically verified during the period by the management at reasonable intervals. No material discrepancies were noticed on physical verification of stocks as compared to book records.
- iii. The Company has granted loans to one subsidiary company 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, Sales Tax, Service Tax, Goods and Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other material statutory dues except occasional/ minor delays. As per the information given by the management and apparent from the records the undisputed liabilities as on 31st March 2018 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 31st March 2018 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 Registration No. 120685W

Place: Mumbai
Date: 23rd May, 2018

Sandeep Sheth
Proprietor
Membership No. 101903

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

Details of disputed statutory dues outstanding as on 31st March, 2018

Nature of Dues	Period to which payment relates	Forum where the dispute is pending	Particulars of Dispute	Tax Outstanding Rs.
Sales Tax (Lucknow)	2013-14	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.	10,47,149
			Total	10,47,149
Income Tax	2006-07	Income Tax Appellate Tribunal	Disallowance of Notional Interest on Advances given	4,41,660
Income Tax	2008-09	Income Tax Appellate Tribunal, Mumbai	Disallowance of deduction u/s 35D	30,40,640
Income Tax	2009-10	Income Tax Appellate Tribunal, Mumbai	Disallowance of deduction u/s 35D	25,92,730
Income Tax	2010-11	Income Tax Appellate Tribunal, Mumbai	Disallowance of deduction u/s 35D	26,98,410
Income Tax	2011-12	Commissioner of Income Tax (Appeals) XXII, Mumbai	Disallowance of deduction u/s 35D	30,98,360
Income Tax	2012-13	Income Tax Appellate Tribunal, Mumbai	(1) Transfer Pricing adjustment (2) Disallowance of deduction u/s 35D (3) Disallowance u/s 2(24)(x) r.w.s 36(1)(va)	2,12,74,249
Income Tax	2013-14	Income Tax Appellate Tribunal, Mumbai	(1) Transfer Pricing adjustment (2) Disallowance u/s 2(24)(x) r.w.s 36(1)(va)	82,37,889
Income Tax	2014-15	Dispute Resolution Panel-I, Mumbai	(1) Transfer Pricing adjustment (2) Disallowance u/s 2(24)(x) r.w.s 36(1)(va)	66,42,940
			Total	4,80,26,878
Central Excise & Customs	2011-12 & 2012-13	Central Excise & Service Tax Appellate Tribunal (CESTAT)	Classification of Goods Imported	29,91,582
Central Excise & Customs	March 2011 to October 2012	Central Excise & Service Tax Appellate Tribunal (CESTAT)	Classification of Goods Manufactured	3,81,04,558 + 3,81,04,558(Penalty)
			Total	7,92,00,698

Annexure - B to the Auditors' 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 31st March 2018 in conjunction with our audit of the standalone 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 Ind AS 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 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 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 31st March 2018, 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 Registration No. 120685W

Sandeep Sheth

Proprietor

Membership No. 101903

Date: 23rd May, 2018

Place: Mumbai

Balance Sheet as on 31st March, 2018

(Amounts in Rupees unless stated otherwise)

Particulars	Note Nos.	As at 31st March 2018	As at 31st March 2017
I. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	6	338,835,164	246,831,498
(b) Intangible Assets	6	1,656,735	1,171,853
(c) Capital Work in Progress		136,194,330	150,000,000
(d) Financial Assets			
(i) Non-Current Investments	7	202,704,000	202,764,000
		679,390,229	600,767,351
(2) Current Assets			
(a) Inventories	8	1,271,478,514	1,149,055,703
(b) Financial Assets			
(i) Trade Receivables	9	948,601,826	801,285,222
(ii) Cash & Cash Equivalents	10	57,044,871	52,178,120
(iii) Other Bank Balances	11	43,049,161	53,674,394
(iv) Current Loans	12	516,306,598	1,231,984
(v) Other Financial Assets	13	1,762,669	1,587,443
(c) Other Current Assets	14	332,535,355	522,672,785
		3,170,778,993	2,581,685,651
TOTAL		3,850,169,222	3,182,453,002
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	15	130,043,390	130,043,390
(b) Other Equity	16	1,331,885,758	1,220,978,104
		1,461,929,148	1,351,021,494
(2) Non-Current Liabilities			
(a) Financial Liabilities			
Non Current Borrowings	17	164,247,637	139,895,247
(b) Non Current Provisions	18	9,203,027	10,890,071
(c) Deferred Tax Liabilities (Net)	19	45,187,376	38,235,226
		218,638,040	189,020,544
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Current Borrowings	20	1,286,173,592	960,524,916
(ii) Trade Payables	21	512,435,755	296,540,174
(iii) Other Current Financial Liabilities	22	44,559,072	20,316,638
(b) Other Current Liabilities	23	295,026,778	304,047,052
(c) Current Provisions	24	4,558,406	9,854,183
(d) Current Tax Liability (Net)	25	26,848,432	51,128,001
		2,169,602,034	1,642,410,964
TOTAL		3,850,169,222	3,182,453,002
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. S. Ramamurthy
President & Chief Financial Officer
Membership No. ACA-31200

Sandeep Sheth
Proprietor
Membership No 101903

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 : 23rd May, 2018

Mrs. Nitya Mirchandani
Director
DIN 06882384

Mr. B.V. Dholakia
Director
DIN 01871816

Statement of Profit and Loss for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)			
Particulars	Note Nos.	Year Ended 31st March, 2018	Year Ended 31st March, 2017
I. Revenue from Operations	26	3,198,867,959	2,771,912,698
Less :- Discount and Rebate		553,868,523	475,440,074
		2,644,999,436	2,296,472,624
II. Other Income	27	41,098,839	15,262,163
III. Total Revenue (I + II)		2,686,098,275	2,311,734,786
IV. Expenses :			
(a) Cost of Materials Consumed	28	753,689,340	660,032,516
(b) Purchases of Stock-in-Trade	29	524,042,826	430,251,224
(c) (Increase) / Decrease in Inventories of Finished Goods and Stock-in-Trade	30	(69,814,946)	(148,429,224)
(d) Excise Duty on Sale of Goods	31	34,344,005	128,555,679
(e) Employee Benefits Expense	32	274,849,042	256,682,788
(f) Finance Costs	33	247,147,740	211,940,436
(g) Depreciation and Amortization	6	22,181,196	18,529,371
(h) Other Expenses	34	681,930,456	570,735,839
Total Expenses		2,468,369,658	2,128,298,629
V. Profit / (Loss) Before Tax - (III - IV)		217,728,616	183,436,157
VI. Tax Expense			
(a) Current Tax		68,700,000	65,100,000
(b) Adjustment of Tax relating to earlier periods		969,663	528,839
(c) Deferred Tax		6,569,958	(627,358)
Income Tax Expense		76,239,621	65,001,481
VII. Profit / (Loss) for the period		141,488,996	118,434,677
VIII. Other Comprehensive Income			
(A) Items that will not be reclassified to Profit or Loss			
(i) Changes in Revaluation Surplus		-	-
(i) Remeasurements of Defined Benefit Plans		1,104,283	(4,622,344)
(iii) Equity Instruments through OCI		-	-
		1,104,283	(4,622,344)
(iv) Less :- Income Tax relating to Items that will not be reclassified to Profit or Loss		382,192	-
		722,091	(4,622,344)
(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		-	-
		-	-
(iv) Less :- Income Tax relating to Items that will be reclassified to Profit or Loss		-	-
		-	-
		722,091	(4,622,344)
IX. Total Comprehensive Income for the period (VII + VIII)		142,211,087	113,812,333
X. Earnings per Equity Share	35		
(1) Basic & Diluted		10.88	9.11
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. S. Ramamurthy
President & Chief Financial Officer
Membership No. ACA-31200

Sandeep Sheth
Proprietor
Membership No 101903

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 : 23rd May, 2018

Mrs. Nitya Mirchandani
Director
DIN 06882384

Mr. B.V. Dholakia
Director
DIN 01871816

Statement of Changes in Equity for the year ended 31st March, 2018

Note No. 15

(Amounts in Rupees unless stated otherwise)

A	Equity Share Capital	Balance as at 31st March, 2017	Changes in Equity Share Capital during the year	Balance as at 31st March, 2018
		130,043,390	-	130,043,390

Note No. 16

B	Other Equity	Reserves & Surplus			Items of Other Comprehensive Income	Total
		Securities Premium Reserve	General Reserve	Retained Earnings	Re-measurement of net defined benefit plans	
	Balance as at 31 March, 2017	490,037,050	102,956,310	635,490,356	(7,505,611)	1,220,978,104
	Add / (Less) : Profit / (Loss) for the year	-	-	141,488,996	-	141,488,996
	Add / (Less) : Dividend paid for F Y 2016-17	-	-	(26,008,678)	-	(26,008,678)
	Add / (Less) : Dividend Distribution Tax paid for F Y 2016-17	-	-	(5,294,755)	-	(5,294,755)
	Add / (Less) : Re-measurements of the net defined benefit plans	-	-	-	722,091	722,091
		-	-	110,185,563	722,091	110,907,654
	Balance as at 31 March, 2018	490,037,050	102,956,310	745,675,918	(6,783,520)	1,331,885,758

Dividend declared @ ₹2.30 per share

Statement of Cash Flows for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

Sr. No.	Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
A)	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax as per Statement of Profit and Loss	217,728,616	183,436,157
	Adjusted for :		
	Depreciation and Amortisation Expense	22,181,196	18,529,371
	Loss on Sale of Assets (net)	29,783	174,616
	Effect of Re-measurements	1,104,283	(759,944)
	Interest Income	(41,036,472)	(14,842,099)
	Finance Costs	247,147,740	211,940,436
	Operating Profit before Working Capital Changes	447,155,146	398,478,538
	Adjusted for :		
	(Increase) / Decrease in Trade Receivables	(147,316,604)	7,619,897
	(Increase) / Decrease in Inventories	(122,422,811)	(156,233,308)
	Increase / (Decrease) in Trade Payables	215,895,581	71,548,743
	Increase / (Decrease) in Provisions & Other Current Liabilities	(16,040,230)	40,170,645
	Cash Generated from Operations	377,271,082	361,584,516
	Income Taxes (paid) / received (Net)	(69,669,663)	(65,081,394)
	Net Cash Flow from Operating Activities (A)	307,601,419	296,503,121
B)	CASH FLOW FROM INVESTING ACTIVITIES :		
	Purchase of Fixed Assets (Tangible Fixed Assets, Capital work in progress (WIP)	(100,918,857)	(70,588,297)
	Proceeds from Sale of Fixed Assets	25,000	2,121,375
	Investments in Long Term Investments	60,000	-
	Movement in Short Term Loans and Advances & Other Assets	(314,487,177)	17,755,621
	Interest Income	41,036,472	14,842,099
	Net Cash Flow from / (used in) Investing Activities (B)	(374,284,561)	(35,869,202)
C)	CASH FLOW FROM FINANCING ACTIVITIES:		
	Dividend Paid	(26,008,678)	(19,506,509)
	Tax on Dividend paid	(5,294,755)	(3,971,066)
	Non Current Borrowings (Net)	24,352,390	22,972,825
	Current Borrowings (Net)	325,648,676	(36,776,704)
	Finance Costs	(247,147,740)	(211,940,436)
	Net Cash (used in) / from financing activities (C)	71,549,893	(249,221,890)
	Net Increase in Cash and Cash Equivalents	4,866,751	11,412,029
	Opening Balance of Cash and Cash Equivalents	52,178,120	40,766,091
	Closing Balance of Cash and Cash Equivalents	57,044,871	52,178,120

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

Sandeep Sheth
Proprietor
Membership No 101903

Place : Mumbai
Date : 23rd May, 2018

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

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

NOTES to the Financial Statements for the year ended 31st March, 2018

1. Corporate Information

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

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

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

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

In June, 2008 the Company incorporated Aries Agro Produce Private Limited as a Subsidiary for carrying business in all kinds of farming etc. and the Company ceased to be a Subsidiary on and from 3rd April, 2017.

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

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

2. Basis of Preparation

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.

Effective April 1, 2016, the Company has adopted all the Ind AS Standards and the adoption was carried out in accordance with the Ind AS 101 First Time Adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under section 133 of the Act, read with rule 7 of the Companies (Account) Rules, 2014 (IGAAP), which was the previous GAAP.

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.

1.1 Statement of Compliance

The Comparative 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 31st March 2017 have been prepared in accordance with the Ind AS as notified above.

1.2 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.

NOTES to the Financial Statements for the year ended 31st March, 2018

1.4 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.

(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.

3. Standards Issued and effective from 1st April, 2018:

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.

4. 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

NOTES to the Financial Statements for the year ended 31st March, 2018

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

5. 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 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 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 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.

NOTES to the Financial Statements for the year ended 31st March, 2018

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. 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 year ended 31st March, 2018

G) 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.

a) Operating Lease

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.

b) Finance Lease

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.

H) Retirement 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. 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.

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.

Re-measurements 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.

I) 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

NOTES to the Financial Statements for the year ended 31st March, 2018

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.

J) 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.

K) 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.

NOTES to the Financial Statements for the year ended 31st March, 2018

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 recognised initially at fair value and subsequently measured at amortised 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 recognised in a separate provision account and the impairment losses are recognised 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 recognised in provision for impairment and changes in impairment losses are recognised 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.

NOTES to the Financial Statements for the year ended 31st March, 2018

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 amortised 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 recognised in the Statement of Profit and Loss.

L) 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.

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 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 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 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

NOTES to the Financial Statements for the year ended 31st March, 2018

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.

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.

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 18, Revenue from sale of products is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. The Company collects Goods and Service Tax (GST), Sales Tax and Value Added tax (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

(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

NOTES to the Financial Statements for the year ended 31st March, 2018

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 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

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.

Note No. 6 - Property, Plant and Equipment and Intangible Assets as at 31st March, 2018													
Particulars	PROPERTY, PLANT AND EQUIPMENT										INTANGIBLE ASSETS		Grand Total
	Land	Buildings	Office Premises	Plant & Machinery	Electrical Installations	Laboratory Equipments	Office Equipments	Furniture & Fixtures	Air Conditioners	Computer	Vehicles	Commercial Vehicles	Total
Gross Block													
As at 1st April, 2017	13,456,619	313,640,610	-	116,888,286	16,954,817	2,297,182	6,661,772	19,727,611	3,406,842	7,899,994	20,339,508	4,116,740	525,389,981
Add :- Addition during the year	5,267,600	18,012,562	19,981,599	65,236,016	621,561	81,582	380,893	3,493,155	670,786	221,623	-	-	113,967,376
Less :- Disposals / Impaired during the year	-	-	-	-	-	-	-	-	-	-	-	70,000	-
As at 31st March, 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
Accumulated Depreciation													
As at 1st April, 2017	-	199,449,386	-	32,911,973	6,684,824	1,487,450	4,948,465	12,354,473	2,652,059	7,060,342	7,704,253	3,295,259	278,558,483
Add :- Addition during the year	-	4,309,891	240,844	10,101,011	1,797,564	259,416	437,407	2,360,966	258,136	287,967	1,865,725	-	21,908,927
Less :- Disposals / Impaired during the year	-	-	-	-	-	-	-	-	-	-	-	15,217	-
As at 31st March, 2018	-	203,759,277	240,844	43,012,984	8,482,388	1,746,866	5,385,871	14,715,439	2,910,195	7,348,309	9,569,978	3,280,042	300,452,193
Net carrying amount													
As at 31st March, 2018	18,724,219	127,893,895	19,740,755	139,111,317	9,093,991	631,899	1,656,793	8,505,327	1,167,433	773,308	10,769,529	766,698	338,835,164
As at 31st March, 2017	13,456,619	114,191,224	-	83,976,313	10,269,993	809,733	1,713,307	7,363,139	754,783	839,652	12,635,254	821,481	246,831,498
Gross Block													
As at 31st March, 2016	13,456,619	307,832,678	-	114,262,197	16,943,417	2,249,660	5,914,591	18,484,113	3,274,965	7,719,568	28,489,574	4,603,626	523,230,008
Add :- Addition during the year	-	6,157,932	-	2,626,089	11,400	47,522	769,081	1,243,499	136,877	180,426	115,725	-	11,288,551
Less :- Disposals / Impaired during the year	-	350,000	-	-	-	-	21,900	-	5,000	-	8,264,791	486,886	9,128,578
As at 31st March, 2017	13,456,619	313,640,610	-	116,888,286	16,954,817	2,297,182	6,661,772	19,727,611	3,406,842	7,899,994	20,339,508	4,116,740	525,389,981
Accumulated Depreciation													
As at 31st March, 2016	-	195,673,582	-	26,005,956	4,905,446	1,226,951	4,542,638	10,225,932	2,449,648	6,741,741	11,880,872	3,148,944	266,801,711
Add :- Addition during the year	-	3,885,715	-	6,906,018	1,779,378	260,498	419,333	2,138,540	207,161	318,601	1,884,765	549,261	18,349,269
Less :- Disposals / Impaired during the year	-	109,912	-	-	-	-	13,506	-	4,750	-	6,061,383	402,946	6,592,498
As at 31st March, 2017	-	199,449,386	-	32,911,973	6,684,824	1,487,449	4,948,465	12,354,473	2,652,059	7,060,342	7,704,253	3,295,259	278,558,482
Net carrying amount													
As at 31st March, 2017	13,456,619	114,191,224	-	83,976,313	10,269,993	809,733	1,713,307	7,363,139	754,783	839,652	12,635,254	821,481	246,831,498
As at 31st March, 2016	13,456,619	112,159,096	-	88,256,241	12,037,971	1,022,709	1,371,953	8,258,180	825,318	977,827	16,607,702	1,454,682	256,428,297

NOTES :

6.1 On transition to Ind AS, Property, Plant and Equipment and Intangibles are carried at net block.
6.2 In accordance with the Ind AS 36 'Impairment of Assets', the management has during the year carried out an exercise of identifying the assets that would have been impaired in respect of each cash generating unit. On the basis of this review carried out by the Management, there was no impairment loss on Fixed Assets during the year.

NOTES to the Financial Statements for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

7	NON-CURRENT INVESTMENTS (Unquoted and fully paid up)	No. of Shares	Face Value (₹)	As at	No. of Shares	Face Value (₹)	As at
				31st March, 2018			31st March, 2017
	A) Equity Shares						
	(i) Subsidiary Companies (at Cost)						
	(a) Aries Agro Care Pvt Ltd	10000	10	100,000	10000	10	100,000
	(b) Aries Agro Equipments Pvt Ltd	10000	10	100,000	10000	10	100,000
	(c) Aries Agro Produce Pvt Ltd				7500	10	75,000
	(d) Golden Harvest Middle East FZC	1125	AED 100	1,227,375	1125	AED 100	1,227,375
				1,427,375			1,502,375
	(ii) Other Investment (at Cost)						
	(a) Aries Agro Produce Pvt Ltd	1500	10	15,000			-
				15,000			-
				1,442,375			1,502,375
	B) Share Application Money						
	(i) Subsidiary Companies						
	(a) Golden Harvest Middle East FZC			201,261,625			201,261,625
				202,704,000			202,764,000

- 7.1 Aries Agro Care Pvt. Ltd. has been incorporated as a wholly owned subsidiary on 5th January, 2007 with the Registrar of Companies, Maharashtra, Mumbai. to carry 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".
- 7.2 Aries Agro Equipments Pvt. Ltd. has been incorporated as a wholly owned subsidiary on 12th January, 2007 with the Registrar of Companies, Maharashtra, Mumbai. to carry 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".
- 7.3 Golden Harvest Middle East FZC was incorporated on 31st December, 2004 as a Free Zone Company with limited liability to carry on the activities of manufacturing Chemical Fertilizer and exporting all the necessities, material and acts related to its natural work or needed to the above mentioned works. In the year 2008 it became 75% subsidiary of the Company, Aries Agro Limited. The Registered Office of the Company is located at "SAIF Zone (Emirates of Sharjah)". The licence has since been converted into a trading licence effective from 7th December, 2016.
- 7.4 Aries Agro Produce Pvt. Ltd. has been incorporated on 20th June, 2008 as 75% owned subsidiary with the Registrar of Companies, Maharashtra, Mumbai. to carry out the business of all kinds of Farming, agriculture, horticulture etc. and to plant, grow, cultivate and in any other way deal in farming and agricultural produce. The registered office of the Company is located at "Aries House, Plot no 24, Deonar, Govandi (E), Mumbai – 400 043".
- 7.5 The Company sold majority of shareholding in its subsidiary Aries Agro Produce Private Limited on 3rd April, 2017. Hence Aries Agro Produce Private Limited has ceased to be a subsidiary of the Company w.e.f. 3rd April, 2017.
- 7.6 Losses of Subsidiaries not provided in accounts :

Particulars	Year Ended 31st March 2018		Year Ended 31st March 2017	
	Accumulated	Current Year	Accumulated	Current Year
a) Aries Agro Care Pvt. Ltd.	(2,811,143)	(44,678)	(2,766,465)	(32,645)
b) Aries Agro Produce Pvt. Ltd.	-	-	(327,178)	(27,300)
	(2,811,143)	(44,678)	(3,093,643)	(59,945)

NOTES to the Financial Statements for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

8	INVENTORIES	As at 31st March, 2018	As at 31st March, 2017		
	(At lower of cost or Net Realisable Value) (As Certified and valued by the Management)				
	Raw Materials	298,879,493	259,370,367		
	Finished Goods	805,963,475	748,017,690		
	Stock-in-Trade (in respect of Goods acquired for Trading)	67,781,280	55,912,119		
	Packing Materials	98,854,266	85,755,527		
	Total	1,271,478,514	1,149,055,703		
9	TRADE RECEIVABLES	As at 31st March, 2018	As at 31st March, 2017		
	Unsecured				
	Considered Good	948,601,826	801,285,222		
	Total	948,601,826	801,285,222		
9.1	Ageing of Trade Receivables				
	Particulars	Ageing		Total	
		Upto 6 Months	6-12 Months		above 12 Months
	As at 31st March, 2018				
	Unsecured				
	Considered Good	889,639,100	58,962,725	-	948,601,826
	Total	889,639,100	58,962,725	-	948,601,826
	As at 31st March, 2017	655,233,913	130,615,578	15,435,731	801,285,222
9.1	Trade Receivables includes Amount due from Related Parties				
	Particulars	Maximum balance during the year	As at 31st March 2018	Maximum balance during the year	As at 31st March 2017
	(a) Amarak Chemicals	10,786,857	10,786,857	19,278,704	10,738,213
			10,786,857		10,738,213
9.2	Trade Receivables are non-interest bearing and receivable in normal operating cycle				
10	CASH AND CASH EQUIVALENTS	As at 31st March, 2018	As at 31st March, 2017		
	Balance with Banks in Current Accounts	57,028,090	52,168,489		
	Cash on hand	16,781	9,631		
	Total	57,044,871	52,178,120		
11	OTHER BANK BALANCES	As at 31st March, 2018	As at 31st March, 2017		
	Fixed Deposits with Banks held as Margin Money (Maturity less than One Year)	40,199,237	50,735,147		
	Unclaimed Dividend Accounts	2,849,924	2,939,247		
	Total	43,049,161	53,674,394		

NOTES to the Financial Statements for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

12 CURRENT LOANS	As at 31st March, 2018	As at 31st March, 2017
(Unsecured and Considered Good)		
Loans to Related Parties	514,993,416	-
Loans to Employees	1,313,182	1,231,984
	516,306,598	1,231,984

12.1 Loan given to Subsidiaries / Associates :

Company Name	Maximum balance during the year	As at 31st March, 2018	Maximum balance during the year	As at 31st March, 2017
(a) Golden Harvest Middle East FZC	514,993,416	514,993,416	-	-
	514,993,416	514,993,416	-	-

12.2 Refer Note No. 37 for details of Advances to Related Parties

13 OTHER CURRENT FINANCIAL ASSETS	As at 31st March, 2018	As at 31st March, 2017
(Unsecured and Considered Good)		
Interest Accrued but not due	1,762,669	1,587,443
	1,762,669	1,587,443

13.1 Interest Accrued but not due includes Interest accrued on various Fixed Deposits with Banks

14 OTHER CURRENT ASSETS	As at 31st March, 2018	As at 31st March, 2017
(Unsecured and Considered Good)		
Advances to Related Parties	58,617,514	243,773,851
Other Advances	266,248,433	271,576,389
Security Deposits	7,669,408	7,322,545
Total	332,535,355	522,672,785

14.1 Advances given to Subsidiaries / Associates :

Company Name	Maximum balance during the year	As at 31st March, 2018	Maximum balance during the year	As at 31st March, 2017
(a) Amarak Chemicals FZC	31,274,773	12,321,761	29,929,966	28,913,173
(b) Aries Agro Care Pvt Ltd	-	-	5,918,635	5,918,635
(c) Aries Agro Equipments Pvt Ltd	-	-	3,736,812	3,736,812
(d) Aries Agro Produce Pvt Ltd	-	-	190,866	190,866
(e) Golden Harvest Middle East FZC	186,423,757	46,295,753	194,601,075	205,014,365
	217,698,530	58,617,514	234,377,353	243,773,851

- 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 Financial Statements for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

14.2 Refer Note No. 37 for details of Advances to Related Parties

14.3 Other Advances includes :		
Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Balances with Taxation Authorities	31,258,718	13,591,504
(b) Advance to Suppliers	232,160,529	253,615,707
(c) Advance to Staff against expenses	156,036	1,856,769
(d) Imprest Advance for Vehicle Expenses	204,137	383,705
(e) Prepaid Expenses	2,469,013	2,128,704
	266,248,433	271,576,389

15 EQUITY SHARE CAPITAL	As at 31st March, 2018	As at 31st March, 2017
Authorised		
15,000,000 Equity Shares of ₹ 10/- each	150,000,000	150,000,000
	150,000,000	150,000,000
Issued, Subscribed and Fully Paidup		
13,004,339 (31st March, 2017 130,04,339) Equity Shares of ₹10/- each.	130,043,390	130,043,390
	130,043,390	130,043,390

15.1 Reconciliation of the number of **Equity Shares** :

Particulars	As at 31st March, 2018	As at 31st March, 2017
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	13,004,339	13,004,339

15.2 **List of Shareholder's holding more than 5 % Shares in the Company :**

Name of the Shareholders	No of Shares	As at 31st March, 2018 % of Holding	No of Shares	As at 31st March, 2017 % of Holding
(i) Dr. Jimmy Mirchandani	3,434,830	26.41%	3,524,830	27.11%
(ii) Dr. Rahul Mirchandani	2,713,221	20.86%	2,623,221	20.17%
Total	6,148,051	47.28%	6,148,051	47.28%

16 Nature of Reserves

16.1 **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.

16.2 **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.

16.3 **Retained Earnings** : represent the undistributed profits of the Company

16.4 **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 31st March, 2018

(Amounts in Rupees unless stated otherwise)

17 NON - CURRENT BORROWINGS	As at 31st March, 2018	As at 31st March, 2017
Secured Term Loans		
Term Loans from Banks	46,748,835	7,353,716
	46,748,835	7,353,716
Un-Secured Term Loans		
Term Loans from Banks	117,498,802	132,541,531
	117,498,802	132,541,531
Total	164,247,637	139,895,247

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

Sr. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
(a)	Secured by way of Charge on the Company's Motor Vehicles.	4,117,229	7,353,716
(b)	Secured by way of Primary Charge on Office Premises at Vastrapur, Gujarat.	8,054,606	-
(c)	Secured by way of Primary Charge on Land and Building at Moje Rajpur, Gujarat.	34,577,000	-
		46,748,835	7,353,716

17.2 Un-Secured Term Loans from Banks 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)	2018-19	25,339,405	15,042,729	40,382,134
	Sub-Total	25,339,405	15,042,729	40,382,134
(b)	2019-20	23,895,653	16,883,939	40,779,592
(c)	2020-21	18,651,777	18,951,795	37,603,572
(d)	2021-22 & Above	4,201,405	81,663,068	85,864,473
	Sub-Total	46,748,835	117,498,802	164,247,637
	Grand-Total	72,088,240	132,541,531	204,629,771

17.4 ₹ 4,03,82,134/- is shown in Current Maturities (On 31st March, 2017 ₹1,63,66,644/-)

18 NON CURRENT PROVISIONS	As at 31st March, 2018	As at 31st March, 2017
Provision for Employee Benefits (Refer Note No. 32)		
Gratuity	46,352	3,861,101
Leave Salary	8,462,030	6,457,024
One Time Incentive	694,645	571,946
Total	9,203,027	10,890,071

NOTES to the Financial Statements for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

19 DEFERRED TAX LIABILITY	As at 31st March, 2018	As at 31st March, 2017
A Deferred Tax Liability		
Related to Fixed Assets : Difference between Depreciation charged for Financial Reporting and Depreciation as per Income Tax	49,514,945	42,306,134
Other Comprehensive Income	382,192	-
B Gross Deferred Tax Liability	49,897,137	42,306,134
Gross Deferred Tax Asset		
Disallowance under the Income Tax Act, 1961 U/s 43B	4,709,761	4,070,908
	4,709,761	4,070,908
C Net Deferred Tax Liability (A-B)	45,187,376	38,235,226

20 CURRENT BORROWINGS	As at 31st March, 2018	As at 31st March, 2017
Secured Borrowings		
Working Capital Facilities from Banks		
Cash Credits / Working Capital Demand Loan	1,166,478,256	817,131,292
Buyers Credits	119,695,336	143,393,624
Total	1,286,173,592	960,524,916

20.1 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 TRADE PAYABLES	As at 31st March, 2018	As at 31st March, 2017
Trade Payables	512,435,755	296,540,174
Total	512,435,755	296,540,174

21.1 There are no Micro and Small Enterprises to whom Company owes dues, which are outstanding for more than 45 days as at 31st March, 2018. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

21.2 All Trade Payables are non-interest bearing and payable or settled within normal operating cycle of the Company.

22 OTHER CURRENT FINANCIAL LIABILITIES	As at 31st March, 2018	As at 31st March, 2017
Current Maturities of Long Term Debt	40,382,134	16,366,644
Interest Accrued but not due on Borrowings	1,327,014	1,010,747
Unclaimed Dividend	2,849,924	2,939,247
Total	44,559,072	20,316,638

NOTES to the Financial Statements for the year ended 31st March, 2018

(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, 2018	As at 31st March, 2017
(a)	Secured Term Loans from Banks	25,339,405	2,963,415
(b)	Un-Secured Term Loans from Banks	15,042,729	13,403,229
		40,382,134	16,366,644

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, 2018	As at 31st March, 2017
(a)	Secured by way of Charge on the Company's Motor Vehicles.	3,236,487	2,963,415
(b)	Secured by way of Primary Charge on Office Premises at Vastrapur, Gujarat.	1,679,918	-
(c)	Secured by way of Primary Charge on Land and Building at Moje Rajpur, Gujarat.	20,423,000	-
		25,339,405	2,963,415

22.3 Un-Secured Term Loans from Banks included in Current Maturities of Long Term Debt to the extent of Rs. 1,50,42,729/- (31st March, 2017, Rs. 1,34,03,229/-) 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, 2018	As at 31st March, 2017
Accrued Salaries and Benefits	88,687,238	78,084,640
Advances / Credits from Customers	27,957,868	83,856,092
Dues to Directors	8,566,013	20,438,123
Security Deposits	84,154,056	75,371,794
Statutory Dues	8,699,768	14,053,364
Other Payables	76,961,836	32,243,040
Total	295,026,778	304,047,052

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

23.1 Other Payables includes mainly Staff Expense Claims and Provision for Expenses.

24 CURRENT PROVISIONS	As at 31st March, 2018	As at 31st March, 2017
Provision for Employee Benefits		
Gratuity	106,988	3,539,172
Leave Salary	4,206,656	4,821,917
One Time Incentive	244,762	1,493,094
Total	4,558,406	9,854,183

NOTES to the Financial Statements for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

25 CURRENT TAX LIABILITY (NET)	As at 31st March, 2018	As at 31st March, 2017
Provision for Income Tax (Net of Advance Tax / TDS)	26,848,432	51,128,001
Total	26,848,432	51,128,001

26 REVENUE FROM OPERATIONS	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Sales of Products		
Manufactured	2,558,234,058	2,168,417,390
Traded	640,633,901	603,495,308
	3,198,867,959	2,771,912,698
Less:- Discounts / Rebates	553,868,523	475,440,074
Total	2,644,999,436	2,296,472,624

26.1 Particulars of Sale of Products :

Sr. No.	Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
	Manufactured Products		
(a)	Agricultural Mirconutrient and Speciality Fertilizers	2,299,427,061	1,905,284,554
(b)	Insecticides and Pesticides	239,262,044	248,631,309
(c)	Animal Feed and Feed Concentrates	14,140,168	8,742,917
(d)	Others	5,404,785	5,758,610
		2,558,234,058	2,168,417,390
	Traded Products		
(a)	Agricultural Mirconutrient and Speciality Fertilizers	640,613,823	603,495,308
(b)	Agri Equipments	20,078	-
		640,633,901	603,495,308
	Less:-Discounts / Rebates	553,868,523	475,440,074
		2,644,999,436	2,296,472,624

27 OTHER INCOME	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Interest Income on :		
Bank Fixed Deposits	2,680,959	3,782,085
Others	38,355,514	11,060,014
Other Non-Operating Income		
Misc. / Other Income	25,068	26,049
Re-Processing Charges	37,298	394,016
Total	41,098,839	15,262,163

NOTES to the Financial Statements for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

28 COST OF MATERIALS CONSUMED	Year Ended 31st March, 2018	Year Ended 31st March, 2017
1) Opening Stock of Raw Materials	259,370,367	248,251,581
Add : Purchases	598,729,139	487,899,198
	858,099,506	736,150,779
Less : Closing Stock of Raw Materials	298,879,493	259,370,367
Raw Material Consumed	559,220,013	476,780,412
2) Opening Stock of Packing Materials	85,755,527	89,070,229
Add : Purchases	207,568,066	179,937,402
	293,323,593	269,007,631
Less : Closing Stock of Packing Materials	98,854,266	85,755,527
Packing Materials Consumed	194,469,327	183,252,104
Consumption of Materials (1+2)	753,689,340	660,032,516
29 PURCHASES OF STOCK-IN-TRADE	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Purchases of Stock-In-Trade	524,042,826	430,251,224
	524,042,826	430,251,224
30 (INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Inventories at the beginning of the year		
Finished Goods	748,017,690	593,804,669
Stock-in-Trade	55,912,119	61,695,916
	803,929,809	655,500,585
Inventories at the end of the year		
Finished Goods	805,963,475	748,017,690
Stock-in-Trade	67,781,280	55,912,119
	873,744,755	803,929,809
(Increase) / Decrease in Inventories	(69,814,946)	(148,429,224)
31 EXCISE DUTY ON SALE OF GOODS	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Excise Duty on Sale of Goods	34,344,005	128,555,679
Total	34,344,005	128,555,679
32 EMPLOYEE BENEFIT EXPENSES	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Salaries, Wages and Allowances	213,057,315	197,879,073
Directors Remuneration	18,944,938	21,422,420
Contribution to Provident & Other Funds	36,427,205	28,554,556
Staff Welfare Expenses	6,419,583	8,826,739
Total	274,849,042	256,682,788

NOTES to the Financial Statements for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

- 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, 2018	Year Ended 31st March, 2017
Expense recognised for Defined Contribution Plan		
Company's contribution to Provident Fund	21,388,920	17,645,354
	21,388,920	17,645,354

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, 2018 and 31st March, 2017, being the respective measurement dates :

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, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Present Value of Defined Benefit obligation at the beginning of the year	63,714,438	55,923,691	11,278,941	8,910,852	2,065,040	1,893,475
Current Service Cost	5,582,095	4,752,293	2,098,980	1,669,743	111,268	100,099
Interest Cost	3,923,613	3,716,352	620,759	517,326	124,535	124,594
Actuarial (gain) / loss	(2,628,290)	3,193,281	2,641,611	1,981,680	(1,025,436)	(53,128)
Past Service Cost	5,775,792	-	-	-	-	-
Benefits paid	(11,568,508)	(3,871,179)	(3,971,605)	(1,800,660)	(336,000)	-
Present Value of Defined Benefit obligation at the end of the year	64,799,140	63,714,438	12,668,686	11,278,941	939,407	2,065,040

II Reconciliation of opening and closing balances of the Fair Value of the Plan Assets

Particulars	Gratuity	
	As at 31st March, 2018	As at 31st March, 2017
Fair Value of Plan Assets at the beginning of the year	54,271,242	48,292,494
Interest Income	3,457,963	3,361,835
Return on plan assets excluding amounts included in Interest Income	92,168	499,489
Contributions	18,392,935	5,988,603
Benefits paid	(11,568,508)	(3,871,179)
Actuarial gain / (loss)	-	-
Fair value of Plan Assets at the end of the year	64,645,800	54,271,242

NOTES to the Financial Statements for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

III Expenses recognised in Profit and Loss

Particulars	Gratuity		Leave Encashment		One Time Incentive	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Current Service Cost	5,582,095	4,752,293	2,098,980	1,669,743	111,268	100,099
Past Service Cost and loss / (gain) on curtailments and settlement	5,775,792	-	-	-	-	-
Interest Cost	465,650	354,517	620,759	517,326	124,535	124,594
Net Cost recognised in Statement of Profit and Loss	11,823,537	5,106,810	2,719,739	2,187,069	235,803	224,693

IV Expenses recognised in Other Comprehensive Income

Particulars	Gratuity		Leave Encashment		One Time Incentive	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Components of actuarial gain / losses on obligations :						
Due to change in financial assumptions	(3,052,638)	2,358,382	(505,016)	379,754	(28,277)	67,732
Due to change in demographic assumptions	(2,321,373)	-	-	1,198,140	-	-
Due to experience adjustments	2,745,721	834,899	3,146,627	403,786	(997,159)	(120,860)
Return on Plan Assets excluding amounts included in Interest Income	(92,168)	(499,489)	-	-	-	-
Net Cost recognised in Other Comprehensive Income	(2,720,458)	2,693,792	2,641,611	1,981,680	(1,025,436)	(53,128)

V Assumptions used to determine the Defined Benefit Obligations :

Particulars	Gratuity		Leave Encashment		One Time Incentive	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Mortality rate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Discount rate (per annum)	7.60%	7.00%	7.60%	7.00%	7.60%	7.00%
Expected rate of Return on Plan Assets (per annum)	7.60%	7.00%				
Expected rate of increase in Salary (per annum)	5.00%	5.00%	5.00%	5.00%	NA	NA
Expected Average remaining working lives of Employees (Years)	23.87	23.70	-	-	-	-

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.

NOTES to the Financial Statements for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

VI Sensitivity Analysis :

Particulars	Change in Assumption	Effect on Gratuity obligation
For the year ended 31st March, 2017		
Discount Rate	+0.5%	61,882,121
	-0.5%	65,676,944
Salary Growth Rate	+0.5%	65,677,421
	-0.5%	61,927,011
For the year ended 31st March, 2018		
Discount Rate	+0.5%	62,468,430
	-0.5%	67,322,256
Salary Growth Rate	+0.5%	67,161,223
	-0.5%	62,541,013

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
For the year ended 31st March, 2017	
Plan Liabilities - (loss) / gain	(834,899)
Plan Assets - (loss) / gain	-
For the year ended 31st March, 2018	
Plan Liabilities - (loss) / gain	(2,745,721)
Plan Assets - (loss) / gain	-

VIII Estimate of Expected Benefit payments

Particulars	Gratuity	
	31st March, 2018	31st March, 2017
1st April, 2017 to 31st March, 2018	-	15,325,650
1st April, 2018 to 31st March, 2019	14,393,440	8,242,737
1st April, 2019 to 31st March, 2020	5,246,922	5,137,289
1st April, 2020 to 31st March, 2021	5,294,181	6,445,556
1st April, 2021 to 31st March, 2022	6,957,443	6,172,934
1st April, 2022 to 31st March, 2023	6,837,395	21,573,636
1st April, 2023 to 31st March, 2024 and Onwards	20,195,525	-

NOTES to the Financial Statements for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

IX Statement of Employee Benefit Provision

Particulars	Gratuity		Leave Encashment		One Time Incentive	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Fair Value of Plan Assets	64,645,800	54,271,242	-	-	-	-
Present Value of Obligation	64,799,140	63,714,438	12,668,686	11,278,941	939,407	2,065,040
Amount recognised in Balance Sheet	(153,340)	(9,443,196)	(12,668,686)	(11,278,941)	(939,407)	(2,065,040)

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, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Current	106,988	3,539,172	4,206,656	4,821,917	244,762	1,493,094
Non-Current	46,352	3,861,101	8,462,030	6,457,024	694,645	571,946
Total	153,340	7,400,273	12,668,686	11,278,941	939,407	2,065,040

33 FINANCE COST

	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Interest Expense		
On Term Loans	22,612,290	18,480,009
On Bank Borrowings	133,402,582	112,700,865
On Security Deposits	5,560,827	5,325,480
Other Interest	58,744,619	51,210,828
Bank and Finance Charges	26,827,423	24,223,254
Total	247,147,740	211,940,436

6 DEPRECIATION & AMORTISATION

	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Depreciation	21,908,927	18,349,269
Amortisation	272,269	180,102
Total	22,181,196	18,529,371

NOTES to the Financial Statements for the year ended 31st March, 2018
(Amounts in Rupees unless stated otherwise)

34 OTHER EXPENSES	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Manufacturing Expenses		
Stores and Spare Parts consumed	1,787,873	1,115,550
Power & Fuel	22,887,378	19,084,093
Rent, Rates & Taxes	5,961,082	5,708,243
Repairs to Building	429,616	519,980
Repairs to Machinery	2,942,456	4,309,073
Freight Inward	45,914,991	62,645,672
Processing Charges	33,285,172	27,328,622
Security Charges	883,612	852,018
Wages & Allowances	67,030,357	60,570,629
Miscellaneous Expenses	6,095,145	4,340,426
	187,217,681	186,474,306
Selling & Distribution Expenses		
Advertisement and Publicity Expenses	147,606,708	117,025,861
Freight & Delivery Expenses	84,764,092	62,477,898
Mobile Selling Expenses	176,366	735,051
Selling Expenses	7,486,004	7,521,483
Travelling Expenses	98,184,572	84,933,516
	338,217,742	272,693,808
Other Administration Expenses		
Audit Fees	2,000,000	2,300,000
Conveyance & Motor Car Expenses	33,523,314	26,459,215
Corporate Social Responsibility (CSR) Expenses	3,524,316	3,448,774
Electricity	1,202,615	1,063,047
General Expenses	2,845,293	2,536,237
Insurance	21,962,371	2,632,662
Legal & Professional Fees	21,516,543	9,880,716
Loss on Sale of Asset	29,783	174,616
Postage & Telephones	6,682,214	7,520,971
Printing & Stationery	4,411,288	4,558,704
Rent, Rates & Taxes	45,699,865	45,462,074
Repairs & Maintenance	1,658,145	3,154,824
Net Gain / Loss on Foreign Currency Transaction and Translation	11,439,286	2,375,888
	156,495,032	111,567,726
Total	681,930,456	570,735,839

NOTES to the Financial Statements for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

34.1 Other Disclosures

a) Auditors Remuneration

Sr. No.	Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
1	Statutory Auditors		
(i)	Audit Fee	2,000,000	2,300,000
(ii)	Tax Audit Fee	-	690,000
(iii)	Taxation Matters	-	726,350
(iv)	Certification and Consultancy Fee	70,000	1,322,250
	Total	2,070,000	5,038,600
	(Previous years Auditors Remuneration is inclusive of Service Tax)		

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, 2018	Year Ended 31st March, 2017
(i)	Education including Farmers	1,556,482	2,143,035
(ii)	Farmers Call Centre	787,057	574,192
(iii)	Infrastructure	974,492	681,547
(iv)	Health Care	-	50,000
(v)	Sponsorship	30,000	-
(vi)	Flood Relief	176,285	-
		3,524,316	3,448,774

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 :

(Number of Shares)

Sr. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
(i)	Issued Equity Shares	13,004,339	13,004,339
	Weighted Average Shares outstanding - Basic and Diluted	13,004,339	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, 2018	Year Ended 31st March, 2017
(i)	Profit and Loss after Tax for attributable to Equity Shareholders	141,488,996	118,434,677
(ii)	Basic Earning per Equity Share	10.88	9.11
(iii)	Face Value per Equity Share	10	10

36.1 OPERATING LEASE COMMITMENTS (Company is a Lessee)

The Company's significant leasing arrangements are in respect of Operating Leases for Vehicles. These leasing arrangements which are not non-cancellable range upto 60 months generally and are renewable by mutual consent on mutually agreeable terms. The aggregate Lease Rentals payable are charged as "RENT" in Other Administrative Expenses under Note 34.

NOTES to the Financial Statements for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

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

Sr. No.	Particulars	Total Minimum Lease Payments outstanding as at 31st March, 2018	Total Minimum Lease Payments outstanding as at 31st March, 2017
(a)	Within One year	34,928,642	26,903,531
(b)	Later than One year and not later than Five years	18,385,389	37,044,865
		53,314,031	63,948,396
	The above lease rentals are inclusive of GST, VAT, Insurance and Other Charges		

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

Sr. No.	Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
(a)	Minimum Lease Payments (Inclusive of GST, VAT, Insurance and Other Charges)	32,955,233	30,199,284

36.3 General description of Lease terms :

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

37. 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	a) Chairman & Managing Director	
		b) Mrs. Nitya Mirchandani	c) Director	
		c) Mr. S. Ramamurthy	d) President & Chief Financial Officer	
		d) Mr. Qaiser P. Ansari	e) Company Secretary & Sr. V.P. (Legal)	
2	Entities where Control exists - Subsidiaries and Indirect Subsidiaries [Extent of Holding]	a) Aries Agro Care Pvt Ltd [100%]	a) Date of Incorporation 5th January, 2007	
		b) Aries Agro Equipments Pvt Ltd [100%]	b) Date of Incorporation 12th January, 2007	
		c) Golden Harvest Middle East FZC [75%]	d) Date of Incorporation 31st October, 2004	
		d) Amarak Chemicals FZC [75%]	e) Step Down Subsidiary	
			Date of Incorporation 9th September, 2007	
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	Name of the Key Management Personnel	Name of the Relative	Relationship
		a) Dr. Rahul Mirchandani	a) Mrs. Nitya Mirchandani	Spouse
			b) Master Armaan Mirchandani	Son
			c) Dr. Jimmy Mirchandani	Brother
			d) Mr. Akshay Mirchandani	Nephew
			e) Mr. Amol Mirchandani	Nephew
		b) Mrs. Nitya Mirchandani	a) Dr. Rahul Mirchandani	Spouse
			b) Master Armaan Mirchandani	Son

NOTES to the Financial Statements for the year ended 31st March, 2018

(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, 2018	Year Ended 31st March, 2017
1	Key Management Personnel	Loan repaid	-	12,165,675
		Loan taken	-	1,850,000
		Directors Remuneration paid	17,570,571	20,649,920
		Salary Paid	7,395,803	6,692,110
		Sitting Fees	240,000	120,000
2	Subsidiaries	Loan / Advance given	499,428,266	413,159
		Refund of Advance	135,660,569	-
		Sale of Goods	-	121,591
		Purchase of Goods	-	21,378,159
		Payments (Including Advance) for Goods	11,806,960	130,417,664
3	Relatives of Key Management Personnel	Interest Income on Loan	22,007,754	-
		Directors Remuneration paid *	46,867	-
		Legal & Professional Fees (Gross)	7,365,475	-
		Sitting Fees	30,000	-
		Salary Paid	1,436,184	1,155,698

* Directors Remuneration paid to Dr. Jimmy Mirchandani upto 2nd April, 2017

Part - C				
Balance Outstanding with Related Parties				
Category	Nature of Outstanding	Name of the Related Party	As at 31st March, 2018	As at 31st March, 2017
Key Management Personnel	Dues to Directors	Dr. Jimmy Mirchandani	-	4,819,574
		Dr. Rahul Mirchandani	7,084,529	16,104,549
	Salary	Mr. S. Ramamurthy	187,318	148,668
		Mr. Qaiser P. Ansari	111,030	109,452
Subsidiary	Loans & Advances	Aries Agro Care Pvt. Ltd.	-	5,918,635
		Aries Agro Equipments Pvt. Ltd.	-	3,736,812
		Golden Harvest Middle East FZC	561,289,169	177,130,235
		Amarak Chemicals FZC	12,321,761	28,913,173
	Creditors for Goods	Aries Agro Equipments Pvt. Ltd.	-	11,806,960
	Share Investments	Aries Agro Care Pvt Ltd	100,000	100,000
		Aries Agro Equipments Pvt Ltd	100,000	100,000
		Golden Harvest Middle East FZC	202,489,000	202,489,000
	Sundry Debtors	Amarak Chemicals FZC	10,786,857	10,738,213
Relatives of Key Management Personnel	Dues to Directors	Dr. Jimmy Mirchandani	1,481,484	-
	Salary	Mr. Amol Mirchandani	71,776	67,905

Note :-

Dr. Jimmy Mirchandani was Key Managerial Personnel upto 2nd April, 2017 after that he is Non-Executive Director.

NOTES to the Financial Statements for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

38. Contingent Liability not provided for in the accounts:

- a) Letters of credit / guarantees given / Bills discounting Rs.1,624.77 Lakhs.
- b) Standby letter of credit for Overseas Subsidiary Golden Harvest Middle East FZC
 - Axis Bank Rs. 1,042.56 Lakhs
Rs. 1,042.56 Lakhs
- c) Claims against company not acknowledged as debts Rs. 1,292.18 Lakhs which includes tax dues disputed as Rs. 10.47 Lakhs towards sales Tax, Rs. 480.27 Lakhs towards Income Tax, Rs. 792.01 Lakhs towards central excise & customs and Rs. 9.43 Lakhs pertaining to pending suits regarding quality issue.
- d) 1 (a). The Commissioner of Central Excise, Hyderabad had issued Show Cause-Cum-Demand Notices for levy of Excise Duty on clearances of Micronutrients by proposing to classify the same as Plant Growth Regulators under Chapter Heading No. 38.08 of Central Excise Act and thereafter vide his order dated 30th November, 2005 upheld the classification of Micronutrients under chapter heading no 3105 as Fertilizers and consequently cancelled the demand. The Department had preferred appeals against the said orders before CESTAT, Hyderabad. The total amount demanded was to the tune of Rs. 356.40 Lakhs. CESTAT, Hyderabad vide their order bearing no A/30767-30768/2017 dated 19.06.2017 confirmed the classification of Micronutrients as Fertilizers under chapter heading no 3105 of the Central Excise Tariff and dismissed the appeal filed by the Central Excise authorities.
- 1 (b). The Commissioner of Central Excise, Mumbai had issued Show Cause-Cum-Demand Notices for levy of Excise Duty on clearances of Micronutrients by proposing to classify the same as Plant Growth Regulators under Chapter Heading No. 38.08 of Central Excise Act and thereafter vide his order dated 27th November, 2006 upheld the classification of Micronutrients under chapter heading no 3105 as Fertilizers and consequently cancelled the demand. The Department had preferred appeals against the said orders before CESTAT, Mumbai and the same is pending before them. The total amount demanded was to the tune of Rs. 725.60 Lakhs and the appeals are pending before CESTAT, Mumbai.
2. Commissioner of Central Excise, Ahmedabad – II, has passed an order confirming demand of Rs. 3.81 Crores on account of Central Excise duty, interest on the said amount and penalty of like amount i.e. Rs. 3.81 Crores against which the Company has preferred an appeal before the Central Excise and Service Tax Appellate Tribunal, Ahmedabad and the same is pending before CESTAT, Ahmedabad.
The Central Board of Excise and Customs vide their Circular No. 1022/10/2016/CX dated 06/04/2016 has clarified that Micronutrients are not classifiable as Plant Growth Regulators and hence are not classifiable under Chapter Heading No. 38.08 of the Central Excise Act.
Under the circumstances, and in view of legal pronouncements that the Excise Authorities cannot go beyond the Show Cause Notice, the Show Cause-Cum-Demand Notices are liable to be dropped in view of the Circular referred to above.
3. The Company has been classifying Sulphur Bentonite under Chapter Heading No. 25030090 as other forms of Sulphur. However, the Customs authorities classified Sulphur Bentonite imported under Chapter Heading No. 25030010 “as recovered byproduct in refining of crude oil”. The Additional Commissioner of Customs, Nhava Sheva confirmed the classification under Chapter Heading No. 25030010 and demanded an amount of Rs. 29.91 Lakhs, in addition penalty of like amount i.e. Rs. 29.91 Lakhs along with fine and penalty of Rs. 7.00 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.

39. 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).

40. Events Occurring after Balance Sheet

a) Dividend proposed to be distributed

(Amount in Rupees unless stated otherwise)

Particulars	Year Ended 31 st March, 2018	Year Ended 31 st March, 2017
Dividend proposed for Equity Shareholders @ Rs. 2.30 per share (Previous Year @ Rs. 2/- per share)	2,99,09,980	2,60,08,678
Total	2,99,08,980	2,60,08,678

NOTES to the Financial Statements for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

41. Supplementary Profit and Loss Data

	Year Ended 31 st March 2018	Year Ended 31 st March 2017
(a) Value of Imports calculated on CIF basis (on accrual basis) :	28,41,64,058	25,45,82,553
(b) Earnings in Foreign Currency (on accrual basis)		
F.O.B. Value of export sales	89,93,906	1,31,13,165
Interest on Loans	2,20,07,754	-
(c) Expenditure in Foreign Currency (on accrual basis)		
Foreign Traveling Expenses	5,07,595	13,15,670
Legal & Professional Fees	73,65,475	-
(d) Details of Consumption of Raw Materials :		
Particulars	Year Ended 31st March 2018	Year Ended 31st March 2017
Imported	18,93,58,218 33.86%	19,83,58,328 41.60%
Indigenous	36,98,61,795 66.14%	27,84,22,084 58.40%
Total	55,92,20,013 100.00%	47,67,80,412 100.00%

42. 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.
43. Previous Years figures have been regrouped and rearranged wherever necessary so as to make them comparable with the current year.

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

As per our report of even date

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

Sandeep Sheth
Proprietor
Membership No 101903

Place : Mumbai
Date : 23rd May, 2018

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

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

NOTES to the Financial Statements for the year ended 31st March, 2018

(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

(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 Share-holding	Country
1	Aries Agro Care Pvt. Ltd.	INR	1.00	1.00	(28.11)	33.52	33.52	-	-	(0.45)	-	(0.45)	-	100 %	India
2	Aries Agro Equipments Pvt. Ltd.	INR	1.00	1.00	76.83	81.74	81.74	-	-	(0.01)	-	(0.01)	-	100 %	India
3	Golden Harvesh Middle East FZC	AED	17.74	26.61	2,549.72	12,686.04	12,686.04	399.15	-	(435.59)	-	(435.59)	-	75 %	UAE
4	Amarak Chemical FZC	AED	17.74	532.20	1,317.34	15,373.88	15,373.88	-	3,022.87	(70.00)	-	(70.00)	-	75 % held by Golden Harvest Middle East FZC	UAE

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

Sandeep Sheth
Proprietor
Membership No 101903

Dr. Jimmy Mirchandani
Director
DIN 00239021

Mr. C. B. Chhaya
Director
DIN 00968966

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

Place : Mumbai
Date : 23rd May, 2018

Mrs. Nitya Mirchandani
Director
DIN 06882384

Mr. B.V. Dholakia
Director
DIN 01871816

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ARIES AGRO LIMITED

REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

We have audited the accompanying consolidated Ind AS financial statement of ARIES AGRO LIMITED ("the Holding Company"), its subsidiaries and jointly controlled entities (collectively referred as the "the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and consolidated statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rules issued thereunder. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the holding Company, as aforesaid.

Auditors' Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements

and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatements.

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

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

OPINION

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

- (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2018;
- (b) In the case of the Consolidated Statement of Profit and Loss including other compressive income, of the profit of the Group for the year ended on that date; and
- (c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.
- (d) In the case of statement of changes in equity, of the changes in equity for the year then ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
- (c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement and the consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2018 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31st March 2018 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as referred to in the notes of accounts to these financial statements ;
 - ii. Provision has been made in the consolidated Ind AS financial statements, as required under

the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts; and

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and subsidiary companies incorporated in India.
- iv. The reporting on disclosures relating to specified bank notes is not applicable to the company for the year ended 31st March, 2018.

OTHER MATTERS

We did not audit the financial statements / consolidated financial statements of certain Indian subsidiaries which reflect total asset of ₹ 1,15,25,688/- as at 31st March, 2018 total revenue of ₹ 34,000/- and net cash flow amounting to ₹ 21,61,227/- for the year then ended, have been audited by us and Ind AS financial statements in which the share of Loss of the group is ₹ 45,436/-. 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 certain foreign subsidiaries whose financial statements reflect total asset of AED 9,58,38,211 as at 31st March, 2018 total revenues of AED 1,71,23,722 and net cash flow amounting to AED (1,99,896) for the year ended on that date and financial statements of an associate in which the share of loss of the group is AED 27,57,596. These financial statements / consolidated financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.

Our opinion is not qualified in respects of other matters.

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

Sandeep Sheth
Proprietor

Place: Mumbai
Date: 23rd May, 2018

Membership No. 101903

Annexure - A to the Auditors' Report

Annexure - A to the Auditors' 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 31st March 2018 in conjunction with our audit of the consolidated 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, 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 Registration No. 120685W

Sandeep Sheth

Proprietor

Place: Mumbai

Date: 23rd May, 2018

Membership No. 101903

Consolidated Balance Sheet as on 31st March, 2018

(Amounts in Rupees unless stated otherwise)

PARTICULARS	Note Nos.	As at 31st March, 2018	As at 31st March, 2017
I. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	6	873,994,989	708,682,981
(b) Intangible Assets	6	1,656,735	1,171,853
(c) Capital Work in Progress		136,194,330	222,039,555
(d) Financial Assets			
(i) Non-Current Investments	7	15,000	-
		1,011,861,053	931,894,389
(2) Current Assets			
(a) Inventories	8	1,271,478,514	1,415,102,198
(b) Financial Assets			
(i) Trade Receivables	9	1,821,792,668	1,423,862,986
(ii) Cash & Cash Equivalents	10	60,862,002	57,356,796
(iii) Other Bank Balances	11	43,064,477	53,689,710
(iv) Current Loans	12	1,567,041	1,267,648
(v) Other Financial Assets	13	1,762,669	1,587,443
(c) Other Current Assets	14	562,389,570	615,267,241
		3,762,916,941	3,568,134,021
		4,774,777,995	4,500,028,410
TOTAL			
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	15	130,043,390	130,043,390
(b) Other Equity	16	1,699,014,141	1,621,884,133
		1,829,057,531	1,751,927,523
(2) Non-Controlling Interest	17		
Non-Controlling Interest - Equity		141,081,712	247,543,109
Non-Controlling Interest - Non-Equity		121,376,705	134,668,364
		262,458,418	382,211,473
(3) Non-Current Liabilities			
(a) Financial Liabilities			
Non Current Term Borrowings	18	164,247,637	139,895,247
(b) Non Current Provisions	19	10,104,207	19,299,026
(c) Deferred Tax Liability (Net)	20	45,187,376	38,235,225
		219,539,220	197,429,498
(4) Current Liabilities			
(a) Financial Liabilities			
(i) Current Borrowings	21	1,503,005,160	1,218,087,417
(ii) Trade Payables	22	578,292,886	349,635,695
(iii) Other Current Financial Liabilities	23	44,935,266	22,027,331
(b) Other Current Liabilities	24	306,082,677	514,283,589
(c) Current Provisions	25	4,558,406	13,297,883
(d) Current Tax Liability (Net)	26	26,848,432	51,128,001
		2,463,722,827	2,168,459,916
		4,774,777,995	4,500,028,410
TOTAL			
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. S. Ramamurthy
President & Chief Financial Officer
Membership No. ACA-31200

Sandeep Sheth
Proprietor
Membership No 101903

Dr. Jimmy Mirchandani
Director
DIN 00239021

Mr. C. B. Chhaya
Director
DIN 00968966

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

Place : Mumbai
Date : 23rd May, 2018

Mrs. Nitya Mirchandani
Director
DIN 06882384

Mr. B.V. Dholakia
Director
DIN 01871816

Consolidated Statement of Profit and Loss for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

PARTICULARS	Note Nos.	Year Ended 31st March, 2018	Year Ended 31st March, 2017
I. Revenue from Operations Less :- Discounts / Rebates	27	3,501,155,075 553,868,523	3,129,052,004 475,440,074
II. Other Income	28	2,947,286,552 19,927,857	2,653,611,929 30,612,444
III. Total Revenue (I + II)		2,967,214,409	2,684,224,373
IV. Expenses :			
(a) Cost of Materials Consumed	29	913,123,821	825,082,091
(b) Purchases of Stock-in-Trade	30	524,042,826	430,251,224
(c) (Increase) / Decrease in Inventories of Finished Goods and Stock-in-Trade	31	37,399,664	(70,102,631)
(d) Excise Duty on Sale of Goods	32	34,344,005	128,555,679
(e) Employee Benefits Expense	33	283,840,825	282,994,602
(f) Finance Costs	34	288,873,457	233,705,597
(g) Depreciation and Amortization	6	22,634,936	66,892,626
(h) Other Expenses	35	695,831,124	667,352,820
Total Expenses		2,800,090,658	2,564,732,007
V. Profit Before Tax (PBT) - (III - IV)		167,123,750	119,492,365
VI. Tax Expense			
(a) Current Tax		68,700,000	65,100,000
(b) Adjustment of Tax relating to earlier periods		969,663	528,839
(c) Deferred Tax		6,569,958	(627,358)
Income Tax Expense		76,239,621	65,001,481
VII. Profit / (Loss) for the year		90,884,129	54,490,884
VIII. Profit / (Loss) for the year attributable to :			
Owners of the Parent		104,836,475	70,608,545
Non-Controlling Interest		(13,952,346)	(16,117,661)
		90,884,129	54,490,884
IX. Other Comprehensive Income			
(A) Items that will not be reclassified to Profit or Loss			
(i) Remeasurements of Defined Benefit Plans		1,104,283	(4,622,344)
		1,104,283	(4,622,344)
(ii) Less :- Income Tax relating to Items that will not be reclassified to Profit or Loss		382,192	-
		722,091	(4,622,344)
(B) Items that will be reclassified to Profit or Loss			
(i) Exchange Differences in translating the Financial Statements of Foreign Operation		(114,259)	-
		(114,259)	-
(ii) Less :- Income Tax relating to Items that will be reclassified to Profit or Loss		-	-
		(114,259)	-
		607,832	(4,622,344)
X. Total Comprehensive Income for the year (VII + IX)		91,491,962	49,868,540
XI. Other Comprehensive Income for the year attributable to :			
Owners of the Parent		639,364	(4,622,344)
Non-Controlling Interest		(31,531)	-
		607,832	(4,622,344)
XII. Total Comprehensive Income for the year attributable to :			
Owners of the Parent		105,475,839	65,986,201
Non-Controlling Interest		(13,983,877)	(16,117,661)
		91,491,962	49,868,540
XIII. Earnings per Equity Share	36		
(1) Basic & Diluted		8.06	5.43
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. S. Ramamurthy
President & Chief Financial Officer
Membership No. ACA-31200

Sandeep Sheth
Proprietor
Membership No 101903

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 : 23rd May, 2018

Mrs. Nitya Mirchandani
Director
DIN 06882384

Mr. B.V. Dholakia
Director
DIN 01871816

Statement of Changes in Equity for the year ended 31st March, 2018

Note No. 15

(Amounts in Rupees unless stated otherwise)

A	Equity Share Capital	Balance as at 31st March, 2017	Changes in Equity Capital during 2017-18	Balance as at 31st March, 2018	Non-Controlling Interest - Equity
		130,043,390	-	130,043,390	141,081,712

Note No. 16

B	Other Equity	Attributable to the Equity Holders of the Parent								Non-Controlling Interest - Non Equity
		Reserves & Surplus						Items of Other Comprehensive Income	Balance as at 31st March, 2018	
		Securities Premium Reserve	Legal Reserve	Foreign Currency Translation Reserve	General Reserve	Retained Earnings	TOTAL			
	Balance as at 31st March, 2017	490,037,050	17,320,504	95,576,480	102,956,310	923,499,400	1,629,389,744	(7,505,611)	1,621,884,133	134,668,364
	Add / (Less) :- Profit / (Loss) for the year	-	-	-	-	90,884,129	90,884,129	-	90,884,129	-
	Add / (Less) :- Transfer from Retained Earnings	-	-	-	-	13,952,346	13,952,346	31,531	13,983,877	(13,983,877)
	Add / (Less) :- Dividend Paid for F Y 2016-17	-	-	-	-	(26,008,678)	(26,008,678)	-	(26,008,678)	-
	Add / (Less) :- Dividend Distribution Tax Paid for F Y 2016-17	-	-	-	-	(5,294,755)	(5,294,755)	-	(5,294,755)	-
	Add / (Less) :- Re-measurements of the net defined benefit plans	-	-	-	-	-	-	722,091	722,091	-
	Add / (Less) :- Foreign Currency Translation Reserve	-	-	2,957,602	-	-	2,957,602	(114,259)	2,843,343	692,219
		-	-	2,957,602	-	73,533,042	76,490,644	639,364	77,130,008	(13,291,658)
	Balance as at 31 March, 2018	490,037,050	17,320,504	98,534,082	102,956,310	997,032,443	1,705,880,389	(6,866,247)	1,699,014,141	121,376,705

Dividend declared @ ₹2.30 per share

Consolidated Statement of Cash Flows for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

Sr. No.	Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
A)	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax as per Statement of Profit and Loss	167,123,750	119,492,365
	Adjusted for :		
	Depreciation and Amortisation Expense	22,634,936	66,892,626
	Loss on Sale of Assets (net)	307,142	27,618,115
	Effect of Exchange Rate change	1,082,050	23,670,768
	Effect of Re-measurements	1,104,283	(759,944)
	Interest Income	(19,033,922)	(14,857,807)
	Finance Costs	288,873,457	233,705,597
	Operating Profit before Working Capital Changes	462,091,696	455,761,720
	Adjusted for :		
	(Increase) / Decrease in Trade Receivables	(397,929,682)	(240,586,511)
	(Increase) / Decrease in Inventories	143,623,684	8,709,100
	Increase / (Decrease) in Trade Payables	228,657,191	60,257,256
	Increase / (Decrease) in Provisions & Other Current Liabilities	(227,506,842)	258,055,261
	Cash Generated from Operations	208,936,046	542,196,826
	Income Taxes (paid) / received (Net)	(69,669,663)	(65,081,394)
	Net Cash Flow from Operating Activities (A)	139,266,383	477,115,432
B)	CASH FLOW FROM INVESTING ACTIVITIES :		
	Purchase of Fixed Assets (Property, Plant & Equipment, Intangible Assets, Capital work in progress (WIP)	(101,630,609)	(53,366,918)
	Proceeds from Sale of Fixed Assets	1,153,375	45,495,090
	Investments in Long Term Investments	60,000	-
	Movement in Short Term Loans and Advances & Other Assets	63,028,285	119,013,299
	Interest Income	19,033,922	14,857,807
	Net Cash Flow from / (used in) Investing Activities (B)	(18,355,027)	125,999,278
C)	CASH FLOW FROM FINANCING ACTIVITIES:		
	Proceeds from issue of Share Capital, Increase in Share Application Money / Shareholders Current Account	(106,499,393)	(46,706,873)
	Dividend Paid	(26,008,678)	(19,506,509)
	Tax on Dividend paid	(5,294,755)	(3,971,066)
	Non Current Borrowings (Net)	24,352,390	21,981,310
	Current Borrowings (Net)	284,917,743	(305,033,829)
	Finance Costs	(288,873,457)	(233,705,597)
	Net Cash (used in) / from financing activities (C)	(117,406,150)	(586,942,564)
	Net Increase in Cash and Cash Equivalents	3,505,206	16,172,145
	Opening Balance of Cash and Cash Equivalents	57,356,796	41,184,651
	Closing Balance of Cash and Cash Equivalents	60,862,002	57,356,796

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
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President & Chief Financial Officer
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DIN 00968966

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

Place : Mumbai
Date : 23rd May, 2018

Mrs. Nitya Mirchandani
Director
DIN 06882384

Mr. B.V. Dholakia
Director
DIN 01871816

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2018

1. CORPORATE INFORMATION

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

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

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

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

In June, 2008 the Company incorporated Aries Agro Produce Private Limited as a Subsidiary for carrying business in all kinds of farming etc. and the company ceased to be a Subsidiary on and from 3rd April, 2017.

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

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

2. BASIS OF PREPARATION AND CONSOLIDATION

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.

Effective April 1, 2016, the Company has adopted all the Ind AS Standards and the adoption was carried out in accordance with the Ind AS 101 First Time Adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under section 133 of the Act, read with rule 7 of the Companies (Account) Rules, 2014 (IGAAP), which was the previous GAAP.

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.

The financial statement has been prepared considering all Ind AS notified by MCA till reporting date i.e. 31st March, 2018.

The Significant accounting policies used in preparing the consolidated financial statements are set out in Note 5 of the Notes to the Consolidated Financial Statements.

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 recognised 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:-

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2018

- 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:
 - 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 Consolidated 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 31st March 2017 have been prepared in accordance with the Ind AS as notified above.

2.2 Basis of Measurement - Historic Cost Convention

These Consolidated 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.

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2018

2.4 Use of Estimates:

The preparation of Consolidated 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 :

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.

3. STANDARDS ISSUED AND EFFECTIVE FROM 1ST APRIL, 2018 :

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

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2018

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.

4. 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

5. 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 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.

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2018

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.

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

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

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

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

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 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.

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2018

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. 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 Consolidated Financial Statements for the year ended 31st March, 2018

G) 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.

a) Operating Lease

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.

b) Finance Lease

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.

H) Retirement 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. 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.

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.

Re-measurements 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.

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2018

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.

I) 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.

J) 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.

K) 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.

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2018

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 recognised initially at fair value and subsequently measured at amortised 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 counterparty 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 recognised in a separate provision account and the impairment losses are recognised 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 recognised in provision for impairment and changes in impairment losses are recognised 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.

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2018

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.

(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 amortised cost using the effective interest rate method.

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2018

(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 recognised in the Statement of Profit and Loss.

L) 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.

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 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 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 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.

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2018

(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 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 18, Revenue from sale of products is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. The Company collects Goods and Service Tax (GST), Sales Tax and Value Added Tax (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

(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

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2018

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.

Q) 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

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.

NOTE NO. 6 - PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS AS AT 31ST MARCH, 2018

Particulars	PROPERTY, PLANT AND EQUIPMENT													INTANGIBLE ASSETS		Grand Total
	Land	Buildings	Office Premises	Plant & Machinery	Electrical Installations	Laboratory Equipments	Office Equipments	Furniture & Fixtures	Air Conditioners	Computer	Vehicles	Commercial Vehicles	Total	Softwares		
Gross Block																
As at 1st April, 2017	13,456,619	574,585,989	-	691,362,117	16,954,817	2,297,182	8,602,747	20,753,251	3,406,842	7,899,994	22,441,048	4,116,740	1,365,877,345	18,225,900	1,384,103,245	
Add :- Addition during the year	5,267,600	18,012,562	19,981,599	137,659,873	621,561	81,582	380,893	3,493,155	670,786	221,623	327,450	-	186,718,683	757,151	187,475,834	
Less :- Disposals / Impaired during the year	-	-	-	359,381	-	-	-	-	-	-	2,106,300	70,000	2,535,681	-	2,535,681	
Add / (Less) :- Adjustment on A/c of Exchange Rate	-	1,182,086	-	2,765,231	-	-	8,793	4,646	-	-	5,500	-	3,966,255	-	3,966,255	
As at 31st March, 2018	18,724,219	593,780,636	19,981,599	831,427,840	17,576,378	2,378,764	8,992,432	24,251,052	4,077,628	8,121,617	20,667,698	4,046,740	1,554,026,602	18,983,051	1,573,009,653	
Accumulated Depreciation																
As at 1st April, 2017	-	278,378,800	-	328,862,146	6,684,824	1,487,450	6,889,440	13,390,112	2,652,059	7,060,342	8,493,920	3,295,259	657,194,351	17,054,047	674,248,398	
Add :- Addition during the year	-	4,309,891	240,844	10,101,011	1,797,564	259,416	437,407	2,350,966	258,136	287,967	2,319,465	-	22,362,667	272,269	22,634,936	
Less :- Disposals / Impaired during the year	-	-	-	54,410	-	-	-	-	-	-	1,169,262	15,217	1,238,889	-	1,238,889	
Add / (Less) :- Adjustment on A/c of Exchange Rate	-	357,551	-	1,340,535	-	-	8,793	4,646	-	-	1,960	-	1,713,485	-	1,713,485	
As at 31st March, 2018	-	283,046,242	240,844	340,249,282	8,482,388	1,746,866	7,335,639	15,745,725	2,910,195	7,346,309	9,646,083	3,280,042	680,031,614	17,326,316	697,357,930	
Net carrying amount																
As at 31st March, 2018	18,724,219	310,734,394	19,740,755	491,178,558	9,093,991	631,899	1,656,793	8,505,327	1,167,433	773,308	11,021,615	766,698	873,994,989	1,656,735	875,651,723	
As at 31st March, 2017	13,456,619	296,207,189	-	362,499,971	10,269,993	809,733	1,713,307	7,363,139	754,783	839,652	13,947,127	821,481	708,682,994	1,171,853	709,854,847	
Gross Block																
As at 1st April, 2016	13,456,619	623,019,296	-	812,655,297	19,992,458	2,249,660	8,941,920	20,519,547	3,585,794	7,719,588	45,057,412	5,586,806	1,562,784,376	18,186,065	1,580,970,441	
Add :- Addition during the year	-	6,157,932	-	2,930,967	11,400	47,522	789,081	1,243,499	136,877	180,426	1,641,900	-	13,119,604	39,835	13,159,439	
Less :- Disposals / Impaired during the year	-	48,464,193	-	110,887,930	3,016,930	-	1,055,486	977,320	312,556	-	24,061,149	1,459,711	190,035,276	-	190,035,276	
Add / (Less) :- Adjustment on A/c of Exchange Rate	-	(6,127,046)	-	(13,536,217)	(32,113)	-	(52,767)	(32,472)	(3,273)	-	(197,115)	(10,355)	(19,991,358)	-	(19,991,358)	
As at 31st March, 2017	13,456,619	574,585,989	-	691,362,117	16,954,815	2,297,182	8,602,747	20,753,253	3,406,842	7,899,994	22,441,048	4,116,740	1,365,877,345	18,225,900	1,384,103,245	
Accumulated Depreciation																
As at 1st April, 2016	-	280,920,842	-	365,954,494	5,878,499	1,226,951	7,311,314	12,261,374	2,760,477	6,741,741	23,099,542	3,788,011	709,943,245	16,873,945	726,817,190	
Add :- Addition during the year	-	18,276,224	-	38,790,513	1,779,378	260,498	675,263	2,138,540	207,161	318,601	3,717,103	549,261	66,712,541	180,102	66,892,643	
Less :- Disposals / Impaired during the year	-	19,071,247	-	69,118,388	982,822	-	1,047,092	977,323	312,306	-	18,196,072	1,035,282	110,720,533	-	110,720,533	
Add / (Less) :- Adjustment on A/c of Exchange Rate	-	(1,747,020)	-	(6,764,451)	(10,249)	-	(50,043)	(32,472)	(3,273)	-	(126,662)	(6,731)	(6,740,890)	-	(6,740,890)	
As at 31st March, 2017	-	278,378,800	-	328,862,167	6,684,807	1,487,450	6,889,441	13,390,119	2,652,059	7,060,341	8,493,920	3,295,259	657,194,364	17,054,047	674,248,411	
Net carrying amount																
As at 31st March, 2017	13,456,619	296,207,189	-	362,499,949	10,270,008	809,733	1,713,306	7,363,134	754,783	839,652	13,947,127	821,481	708,682,981	1,171,853	709,854,835	
As at 31st March, 2016	13,456,619	342,098,454	-	446,700,803	14,113,958	1,022,709	1,630,606	8,258,173	825,317	977,827	21,957,870	1,798,795	852,841,132	1,312,120	854,153,252	

NOTES :

- 6.1 On transition to Ind AS, Property, Plant and Equipment and Intangibles are carried at net block.
- 6.2 In accordance with the Ind AS 36 "Impairment of Assets", the management has during the year carried out and exercise of identifying the assets that would have been impaired in respect of each cash generating unit. On the basis of this review carried out by the Management, there was no impairment loss on Fixed Assets during the year.

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

7 NON-CURRENT INVESTMENTS		As at 31st March, 2018		As at 31st March, 2017	
(UNQUOTED AND FULLY PAID UP)		No. of Shares	Face Value	No. of Shares	Face Value
A) EQUITY SHARES					
(I) Other Investment (at Cost)					
(a) Aries Agro Produce Pvt Ltd		1500	10	-	-
			15,000		-
			15,000		-

8 INVENTORIES		As at 31st March, 2018	As at 31st March, 2017
(At lower of cost or Net Realisable Value)			
(As Certified and valued by the Management)			
Raw Materials		298,879,493	416,291,967
Finished Goods		805,963,475	854,990,007
Stock-in-Trade (in respect of Goods acquired for Trading)		67,781,280	55,912,119
Packing Materials		98,854,266	87,908,104
Total		1,271,478,514	1,415,102,198

9 TRADE RECEIVABLES		As at 31st March, 2018	As at 31st March, 2017
Unsecured			
Considered Good		1,821,792,668	1,423,862,986
Total		1,821,792,668	1,423,862,986

9.1 Ageing of Trade Receivables				
Particulars	Ageing			Total
	Upto 6 Months	6-12 Months	above 12 Months	
As at 31st March, 2018				
Unsecured				
Considered Good	941,069,531	880,723,137	-	1,821,792,668
Total	941,069,531	880,723,137	-	1,821,792,668
As at 31st March, 2017	955,517,207	353,496,613	114,849,167	1,423,862,986

9.2 Trade Receivables are non-interest bearing and receivable in normal operating cycle

10 CASH AND CASH EQUIVALENTS		As at 31st March, 2018	As at 31st March, 2017
Balance with Banks in Current Accounts		60,845,221	60,845,221
Cash on hand		16,781	16,781
Total		60,862,002	60,862,002

11 OTHER BANK BALANCES		As at 31st March, 2018	As at 31st March, 2017
Fixed Deposits with Banks held as Margin Money (Maturity less than One Year)		40,214,553	50,750,463
Unclaimed Dividend Accounts		2,849,924	2,939,247
Total		43,064,477	53,689,710

11.1 Fixed Deposits are kept as Margin against various Credit Limits / Guarantees

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

12 CURRENT LOANS	As at 31st March, 2018	As at 31st March, 2017
(Unsecured and Considered Good)		
Loans to Employees	1,567,041	1,267,648
	1,567,041	1,267,648
13 OTHER CURRENT FINANCIAL ASSETS	As at 31st March, 2018	As at 31st March, 2017
Interest Accrued but not due	1,762,669	1,587,443
	1,762,669	1,587,443
13.1 Interest Accrued but not due includes Interest accrued on various Fixed Deposits with Banks		
14 OTHER CURRENT ASSETS	As at 31st March, 2018	As at 31st March, 2017
(Unsecured and Considered Good)		
Advances to Related Parties of Subsidiaries	5,918,635	45,230,546
Other Advances	547,632,370	560,068,463
Security Deposits	8,838,565	9,968,232
Total	562,389,570	615,267,241
14.1 Other Advances includes :		
Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Balances with Taxation Authorities	31,264,223	13,597,009
(b) Advance to Suppliers	506,605,607	536,153,348
(c) Advance to Staff against expenses	156,036	1,856,769
(d) Imprest Advance for Vehicle Expenses	204,137	383,705
(e) Prepaid Expenses	9,402,366	8,077,633
	547,632,370	560,068,463
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.		
15 EQUITY SHARE CAPITAL	As at 31st March, 2018	As at 31st March, 2017
Authorised		
15,000,000 Equity Shares of ₹ 10/- each	150,000,000	150,000,000
	150,000,000	150,000,000
Issued, Subscribed and Fully Paidup		
13,004,339 (31st March, 2017 130,04,339) Equity Shares of ₹ 10/- each.	130,043,390	130,043,390
	130,043,390	130,043,390

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

15.1 Reconciliation of the number of Equity Shares :

Particulars	As at 31st March, 2018	As at 31st March, 2017
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	13,004,339	13,004,339

16.1 List of Shareholder's holding more than 5 % Shares in the Company :

Name of the Shareholders	No of Shares	As at 31st March, 2018	No of Shares	As at 31st March, 2017
		% of Holding		% of Holding
(i) Dr. Jimmy Mirchandani	3,434,830	26.41%	3,524,830	27.11%
(ii) Dr. Rahul Mirchandani	2,713,221	20.86%	2,623,221	20.17%
Total	6,148,051	47.28%	6,148,051	47.28%

16 Nature of Reserves

16.1 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.

16.2 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.

16.3 Foreign Currency Translation Reserve : represents difference in valuation of Investment in Overseas Subsidiary

16.2 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.

16.3 Retained Earnings : represent the undistributed profits of the Company

16.4 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.

17 NON-CONTROLLING INTEREST	As at 31st March, 2018	As at 31st March, 2017
Non-Controlling Interest - Equity	141,081,712	247,543,109
Non-Controlling Interest - Non-Equity	121,376,705	134,668,364
	262,458,418	382,211,473

17.1 Non-Controlling Interest as at 31st March, 2018, represents that part of the profit / (Loss) and net assets of Golden Harvest Middle East FZC to the extent of 375 Shares (25%) and Amarak Chemicals FZC to the extent of 5,000 Shares (25%) held by other parties.

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

18 NON - CURRENT BORROWINGS	As at 31st March, 2018	As at 31st March, 2017
Secured Term Loans		
Term Loans from Banks	46,748,835	7,353,716
	46,748,835	7,353,716
Un-Secured Term Loans		
Term Loans from Banks	117,498,802	132,541,531
	117,498,802	132,541,531
Total	164,247,637	139,895,247

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

Sr. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
(a)	Secured by way of Charge on the Company's Motor Vehicles.	4,117,229	7,353,716
(b)	Secured by way of Primary Charge on Office Premises at Vastrapur, Gujarat.	8,054,606	-
(c)	Secured by way of Primary Charge on Land and Building at Moje Rajpur, Gujarat.	34,577,000	-
		46,748,835	7,353,716

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

18.3 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)	2018-19	25,339,405	15,042,729	40,382,134
		25,339,405	15,042,729	40,382,134
(b)	2019-20	23,895,653	16,883,939	40,779,592
(c)	2020-21	18,651,777	18,951,795	37,603,572
(d)	2021-22 & Above	4,201,405	81,663,068	85,864,473
		46,748,835	117,498,802	164,247,637
	Total	72,088,240	132,541,531	204,629,771

18.4 ₹ 4,03,82,134/- is shown in Current Maturities (On 31st March, 2017 ₹ 1,63,66,644/-)

19 NON CURRENT PROVISIONS	As at 31st March, 2018	As at 31st March, 2017
Provision for Employee Benefits		
Gratuity	947,532	12,270,056
Leave Salary	8,462,030	6,457,024
One Time Incentive	694,645	571,946
Total	10,104,207	19,299,026

20 DEFERRED TAX LIABILITY	As at 31st March, 2018	As at 31st March, 2017
A Deferred Tax Liability		
Related to Fixed Assets : Difference between Depreciation charged for Financial Reporting and Depreciation as per Income Tax	49,514,945	42,306,134
Other Comprehensive Income	382,192	-
B Gross Deferred Tax Liability	49,897,137	42,306,134
Gross Deferred Tax Asset		
Disallowance under the Income Tax Act, 1961 U/s 43B	4,709,761	4,070,908
	4,709,761	4,070,908
C Net Deferred Tax Liability (A-B)	45,187,376	38,235,225

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

21	CURRENT BORROWINGS	As at 31st March, 2018	As at 31st March, 2017
	Secured Borrowings		
	Working Capital Facilities from Banks		
	Cash Credits	1,166,478,256	817,131,292
	Buyers Credits	119,695,336	143,393,624
		1,286,173,592	960,524,916
	Un-Secured Borrowings		
	Working Capital Facilities from Banks	104,311,200	138,958,285
	From Related Parties	31,627	1,783,316
	From Others	112,488,742	116,820,900
		216,831,569	257,562,501
	Total	1,503,005,160	1,218,087,417

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.

22	TRADE PAYABLES	As at 31st March, 2018	As at 31st March, 2017
	Trade Payables	578,292,886	349,635,695
	Total	578,292,886	349,635,695

22.1 There are no Micro and Small Enterprises to whom Company owes dues, which are outstanding for more than 45 days as at 31st March, 2018. 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.

22.2 All Trade Payables are non-interest bearing and payable or settled within normal operating cycle of the Company.

23	OTHER CURRENT FINANCIAL LIABILITIES	As at 31st March, 2018	As at 31st March, 2017
	Current Maturities of Long Term Debt	40,382,134	16,366,644
	Interest Accrued but not due on Borrowings	1,703,208	2,721,440
	Unclaimed Dividend	2,849,924	2,939,247
	Total	44,935,266	22,027,331

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

Sr. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017
(a)	Secured Term Loans from Banks	25,339,405	2,963,415
(b)	Un-Secured Term Loans from Banks	15,042,729	13,403,229
		40,382,134	16,366,644

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, 2018	As at 31st March, 2017
(a)	Secured by way of Charge on the Company's Motor Vehicles.	3,236,487	2,963,415
(b)	Secured by way of Primary Charge on Office Premises at Vastrapur, Gujarat.	1,679,918	-
(c)	Secured by way of Primary Charge on Land and Building at Moje Rajpur, Gujarat.	20,423,000	-
		25,339,405	2,963,415

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

23.3 Un-Secured Term Loans from Banks included in Current Maturities of Long Term Debt to the extent of ₹ 1,50,42,729/- (31st March, 2017, ₹ 1,34,03,229/-) 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, 2018	As at 31st March, 2017
Accrued Salaries and Benefits	93,170,297	78,084,640
Advances / Credits from Customers	27,957,868	277,261,783
Dues to Directors	8,920,813	37,248,968
Security Deposits	84,174,056	75,391,794
Statutory Dues	8,699,768	14,053,364
Other Payables	83,159,876	32,243,040
Total	306,082,677	514,283,589

24.1 Statutory Dues includes Indirect Taxes, 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, 2018	As at 31st March, 2017
Provision for Employee Benefits		
Gratuity	106,988	3,539,172
Leave Salary	4,206,656	8,265,617
One Time Incentive	244,762	1,493,094
Total	4,558,406	13,297,883

26 CURRENT TAX LIABILITY (NET)	As at 31st March, 2018	As at 31st March, 2017
Provision for Income Tax (Net of Advance Tax / TDS)	26,848,432	51,128,001
Total	26,848,432	51,128,001

27 REVENUE FROM OPERATIONS	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Sales of Products		
Manufactured	2,860,521,174	2,510,701,844
Traded	640,633,901	618,350,159
	3,501,155,075	3,129,052,004
Less:- Discounts / Rebates	553,868,523	475,440,074
Total	2,947,286,552	2,653,611,929

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

27.1 Particulars of Sale of Products :

Sr. No.	Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Manufactured Products			
(a)	Agricultural Mirconutrient and Speciality Fertilizers	2,299,427,061	1,905,284,554
(b)	Plant Nutrients	302,287,116	342,284,454
(c)	Insecticides and Pesticides	239,262,044	248,631,309
(d)	Animal Feed and Feed Concentrates	14,140,168	8,742,917
(e)	Others	5,404,785	5,758,610
		2,860,521,174	2,510,701,844
Traded Products			
(a)	Agricultural Mirconutrient and Speciality Fertilizers	640,613,823	603,495,308
(b)	Plant Nutrients	-	14,854,851
(c)	Agri Equipments	20,078	-
		640,633,901	618,350,159
	Less:- Discounts / Rebates	553,868,523	475,440,074
		2,947,286,552	2,653,611,929

28 OTHER INCOME

	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Interest Income on :		
Bank Fixed Deposits	2,680,959	3,782,085
Others	16,352,963	11,075,722
Other Non-Operating Income		
Misc. / Other Income	692,911	10,290,544
Profit on Sale of Fixed Assets	163,725	5,070,077
Re-Processing Charges	37,298	394,016
Total	19,927,857	30,612,444

29 COST OF MATERIALS CONSUMED

	Year Ended 31st March, 2018	Year Ended 31st March, 2017
1) Opening Stock of Raw Materials	416,647,396	484,502,252
Add : Purchases	598,729,139	571,044,182
	1,015,376,535	1,055,546,434
Less : Closing Stock of Raw Materials	298,879,493	417,980,252
Raw Material Consumed	716,497,042	637,566,182
2) Opening Stock of Packing Materials	87,912,980	92,819,419
Add : Purchases	207,568,066	182,627,754
	295,481,046	275,447,173
Less : Closing Stock of Packing Materials	98,854,266	87,931,264
Packing Materials Consumed	196,626,780	187,515,909
Consumption of Materials (1+2)	913,123,821	825,082,091

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

30 PURCHASES OF STOCK-IN-TRADE	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Purchases of Stock-In-Trade	524,042,826	430,251,224
	524,042,826	430,251,224
31 (INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Inventories at the beginning of the year		
Finished Goods	749,256,690	780,254,470
Stock-in-Trade	161,887,729	61,695,916
	911,144,419	841,950,386
Inventories at the end of the year		
Finished Goods	805,963,475	856,140,898
Stock-in-Trade	67,781,280	55,912,119
	873,744,755	912,053,017
(Increase) / Decrease in Inventories	37,399,664	(70,102,631)
32 EXCISE DUTY ON SALE OF GOODS	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Excise Duty on Sale of Goods	34,344,005	128,555,679
Total	34,344,005	128,555,679
33 EMPLOYEE BENEFIT EXPENSES	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Salaries, Wages and Allowances	217,560,798	207,827,213
Directors Remuneration	23,104,438	35,168,705
Contribution to Provident & Other Funds	36,582,465	30,184,916
Staff Welfare Expenses	6,593,124	9,813,768
Total	283,840,825	282,994,602
33.1 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, 2018	Year Ended 31st March, 2017
Expense recognised for Defined Contribution Plan		
Company's contribution to Provident Fund	21,388,920	17,645,354
	21,388,920	17,645,354

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, 2018 and 31st March, 2017, being the respective measurement dates :

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2018

(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, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Present Value of Defined Benefit obligation at the beginning of the year	63,714,438	55,923,691	11,278,941	8,910,852	2,065,040	1,893,475
Current Service Cost	5,582,095	4,752,293	2,098,980	1,669,743	111,268	100,099
Interest Cost	3,923,613	3,716,352	620,759	517,326	124,535	124,594
Actuarial (gain) / loss	(2,628,290)	3,193,281	2,641,611	1,981,680	(1,025,436)	(53,128)
Past Service Cost	5,775,792	-	-	-	-	-
Benefits paid	(11,568,508)	(3,871,179)	(3,971,605)	(1,800,660)	(336,000)	-
Present Value of Defined Benefit obligation at the end of the year	64,799,140	63,714,438	12,668,686	11,278,941	939,407	2,065,040

II Reconciliation of opening and closing balances of the Fair Value of the Plan Assets

Particulars	Gratuity	
	As at 31st March, 2018	As at 31st March, 2017
Fair Value of Plan Assets at the beginning of the year	54,271,242	48,292,494
Interest Income	3,457,963	3,361,835
Return on plan assets excluding amounts included in Interest Income	92,168	499,489
Contributions	18,392,935	5,988,603
Benefits paid	(11,568,508)	(3,871,179)
Actuarial gain / (loss)	-	-
Fair value of Plan Assets at the end of the year	64,645,800	54,271,242

III Expenses recognised in Profit and Loss

Particulars	Gratuity		Leave Encashment		OneTime Incentive	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Current Service Cost	5,582,095	4,752,293	2,098,980	1,669,743	111,268	100,099
Past Service Cost and loss / (gain) on curtailments and settlement	5,775,792	-	-	-	-	-
Interest Cost	465,650	354,517	620,759	517,326	124,535	124,594
Net Cost recognised in Statement of Profit and Loss	11,823,537	5,106,810	2,719,739	2,187,069	235,803	224,693

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

IV Expenses recognised in Other Comprehensive Income

Particulars	Gratuity		Leave Encashment		OneTime Incentive	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Components of actuarial gain / losses on obligations :						
Due to change in financial assumptions	(3,052,638)	2,358,382	(505,016)	379,754	(28,277)	67,732
Due to change in demographic assumptions	(2,321,373)	-	-	1,198,140	-	-
Due to experience adjustments	2,745,721	834,899	3,146,627	403,786	(997,159)	(120,860)
Return on Plan Assets excluding amounts included in Interest Income	(92,168)	(499,489)	-	-	-	-
Net Cost recognised in Other Comprehensive Income	(2,720,458)	2,693,792	2,641,611	1,981,680	(1,025,436)	(53,128)

V Assumptions used to determine the Defined Benefit Obligations

Particulars	Gratuity		Leave Encashment		OneTime Incentive	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Mortality rate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Discount rate (per annum)	7.60%	7.00%	7.60%	7.00%	7.60%	7.00%
Expected rate of Return on Plan Assets (per annum)	7.60%	7.00%				
Expected rate of increase in Salary (per annum)	5.00%	5.00%	5.00%	5.00%	NA	NA
Expected Average remaining working lives of Employees (Years)	23.87	23.70	-	-	-	-

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.

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

VI Sensitivity Analysis :

Particulars	Change in Assumption	Effect on Gratuity obligation
For the year ended 31st March, 2017		
Discount Rate	+0.5%	61,882,121
	-0.5%	65,676,944
Salary Growth Rate	+0.5%	65,677,421
	-0.5%	61,927,011
For the year ended 31st March, 2018		
Discount Rate	+0.5%	62,468,430
	-0.5%	67,322,256
Salary Growth Rate	+0.5%	67,161,223
	-0.5%	62,541,013

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
For the year ended 31st March, 2017	
Plan Liabilities - (loss) / gain	(834,899)
Plan Assets - (loss) / gain	-
For the year ended 31st March, 2018	
Plan Liabilities - (loss) / gain	(2,745,721)
Plan Assets - (loss) / gain	-

VIII Estimate of Expected Benefit payments

Particulars	Gratuity	
	As at 31st March, 2018	As at 31st March, 2017
1st April, 2017 to 31st March, 2018	-	15,325,650
1st April, 2018 to 31st March, 2019	14,393,440	8,242,737
1st April, 2019 to 31st March, 2020	5,246,922	5,137,289
1st April, 2020 to 31st March, 2021	5,294,181	6,445,556
1st April, 2021 to 31st March, 2022	6,957,443	6,172,934
1st April, 2022 to 31st March, 2023	6,837,395	21,573,636
1st April, 2023 to 31st March, 2024 and Onwards	20,195,525	-

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

IX Statement of Employee Benefit Provision

Particulars	Gratuity		Leave Encashment		OneTime Incentive	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Fair Value of Plan Assets	64,645,800	54,271,242	-	-	-	-
Present Value of Obligation	64,799,140	63,714,438	12,668,686	11,278,941	939,407	2,065,040
Amount recognised in Balance Sheet	(153,340)	(9,443,196)	(12,668,686)	(11,278,941)	(939,407)	(2,065,040)

X Current and Non-Current provision for Gratuity, Leave Salary and One Time Incentive

Particulars	Gratuity		Leave Encashment		OneTime Incentive	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Current	106,988	3,539,172	4,206,656	4,821,917	244,762	1,493,094
Non-Current	46,352	3,861,101	8,462,030	6,457,024	694,645	571,946
Total	153,340	7,400,273	12,668,686	11,278,941	939,407	2,065,040

33.2 The above charts do not include the provisions made by Foreign Subsidiaries

34 FINANCE COSTS

Interest Expense

On Term Loans
On Bank Borrowings
On Security Deposits
Other Interest
Bank and Finance Charges
Total

Year Ended 31st March, 2018	Year Ended 31st March, 2017
22,612,290	18,764,967
148,210,296	128,770,650
5,560,827	5,325,480
85,117,022	55,437,486
27,373,022	25,407,014
288,873,457	233,705,597

6 DEPRECIATION & AMORTISATION

Depreciation
Amortisation
Total

Year Ended 31st March, 2018	Year Ended 31st March, 2017
22,362,667	66,712,524
272,269	180,102
22,634,936	66,892,626

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

35 OTHER EXPENSES	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Manufacturing Expenses		
Consumption of Stores & Spare Parts	1,787,873	1,115,550
Power & Fuel	22,963,382	26,753,631
Rent, Rates & Taxes	12,471,903	17,981,261
Repairs to Building	501,098	519,980
Repairs to Machinery	2,942,456	8,242,460
Freight Inward	45,914,991	62,645,672
Processing Charges	33,285,172	27,328,622
Security Charges	883,612	852,018
Wages & Allowances	67,483,735	68,385,350
Miscellaneous Expenses	6,815,535	5,823,421
	195,049,757	219,647,965
Selling & Distribution Expenses		
Advertisement and Publicity Expenses	147,606,708	117,025,861
Freight & Delivery Expenses	84,764,092	62,477,898
Mobile Selling Expenses	176,366	735,051
Selling Expenses	7,664,066	20,900,952
Travelling Expenses	98,429,248	86,682,530
	338,640,480	287,822,291
Other Administration Expenses		
Audit Fees	2,315,075	2,521,550
Bank Charges	10,285	690
Conveyance & Motor Car Expenses	34,419,069	28,147,379
Corporate Social Responsibility (CSR) Expenses	3,524,316	3,448,774
Electricity	1,202,615	1,504,227
General Expenses	4,801,940	9,089,423
Insurance	22,067,981	4,382,071
Legal & Professional Fees	22,061,672	9,907,941
Loss on Sale of Asset	307,142	32,688,192
Postage & Telephones	7,470,772	10,661,196
Printing & Stationery	4,465,375	4,671,534
Rent, Rates & Taxes	46,397,178	46,915,648
Repairs & Maintenance	1,658,145	3,568,051
Net Gain / Loss on Foreign Currency Transaction and Translation	11,439,323	2,375,888
	162,140,887	159,882,563
Total	695,831,124	667,352,820

35.1 Other Disclosures
a) Auditors Remuneration

Sr. No.	Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
1	Statutory Auditors		
(i)	Audit Fee	2,315,075	2,521,550
(ii)	Tax Audit Fee	-	690,000
(iii)	Taxation Matters	-	743,600
(iv)	Certification and Consultancy Fee	70,000	1,322,250
	Total	2,385,075	5,277,400

(Previous years Auditors Remuneration is inclusive of Service Tax)

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2018

(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, 2018	Year Ended 31st March, 2017
(i)	Education including Farmers	1,556,482	2,143,035
(ii)	Farmers Call Centre	787,057	574,192
(iii)	Infrastructure	974,492	681,547
(iv)	Health Care	-	50,000
(v)	Sponsorship	30,000	-
(vi)	Flood Relief	176,285	-
		3,524,316	3,448,774

36 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, 2018	Year Ended 31st March, 2017
(i)	Issued Equity Shares	13,004,339	13,004,339
	Weighted Average Shares outstanding - Basic and Diluted	13,004,339	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, 2018	Year Ended 31st March, 2017
(i)	Profit and Loss after Tax attributable to Equity Shareholders	104,836,475	70,608,545
(ii)	Basic Earning per Equity Share	8.06	5.43
(iii)	Face Value per Equity Share	10	10

37.1 OPERATING LEASE COMMITMENTS (Company is a Lessee)

The Company's significant leasing arrangements are in respect of Operating Leases for Vehicles. These leasing arrangements which are not non-cancellable range upto 60 months generally and are renewable by mutual consent on mutually agreeable terms. The aggregate Lease Rentals payable are charged as "RENT" in Other Administrative Expenses under Note 35.

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

Sr. No.	Particulars	Total Minimum Lease Payments outstanding as at 31st March, 2018	Total Minimum Lease Payments outstanding as at 31st March, 2017
(a)	Within One year	34,928,642	26,903,531
(b)	Later than One year and not later than Five years	18,385,389	37,044,865
		53,314,031	63,948,396

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

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

Sr. No.	Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
(a)	Minimum Lease Payments (Inclusive of GST, VAT, Insurance and Other Charges)	32,955,233	30,199,284

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

37.3 General description of Lease terms :

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

38. 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) Mrs. Nitya Mirchandani c) Mr. S. Ramamurthy d) Mr. Qaiser P. Ansari	Chairman & Managing Director Director President & Chief Financial Officer Company Secretary & Sr. V.P. (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	Name of the Key Management Personnel	Name of the Relative	Relationship
		a) Dr. Rahul Mirchandani	a) Mrs. Nitya Mirchandani b) Master Armaan Mirchandani c) Dr. Jimmy Mirchandani d) Mr. Akshay Mirchandani e) Mr. Amol Mirchandani	Spouse Son Brother Nephew Nephew
		b) Mrs. Nitya Mirchandani	a) Dr. Rahul Mirchandani b) Master Armaan Mirchandani	Spouse Son

Part - B				
Disclosure of Transactions between the Company and Related Parties				
Sr. No.	Category	Nature of Service	Year Ended 31st March, 2018	Year Ended 31st March, 2017
1	Key Management Personnel	Loan repaid Loan taken Directors Remuneration paid Salary Paid Sitting Fees	- - 17,570,571 7,395,803 240,000	12,165,675 1,850,000 20,649,920 6,692,110 120,000
2	Relatives of Key Management Personnel	Directors Remuneration paid * Legal & Professional Fees (Gross) Sitting Fees Salary Paid	46,867 7,365,475 30,000 1,436,184	- - - 1,155,698

* Directors Remuneration paid to Dr. Jimmy Mirchandani upto 2nd April, 2017

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2018

(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, 2018	As at 31st March, 2017
Key Management Personnel	Dues to Directors	Dr. Jimmy Mirchandani	-	4,819,574
		Dr. Rahul Mirchandani	7,084,529	16,104,549
		Mr. S. Ramamurthy	187,318	148,668
		Mr. Qaiser P. Ansari	111,030	109,452
Relatives of Key Management Personnel	Dues to Directors	Dr. Jimmy Mirchandani	1,481,484	-
	Salary	Mr. Amol Mirchandani	71,776	67,905

Note :- Dr. Jimmy Mirchandani was Key Managerial Personnel upto 2nd April, 2017 after that he is Non-Executive Director.

39. GRATUITY

UAE Operations

The Liability for Employees is fully provided for in the accounts.

40. CONTINGENT LIABILITY NOT PROVIDED FOR IN THE ACCOUNTS:

- Letters of credit / guarantees given / Bills discounting ₹ 1,624.77 Lakhs.
- Standby letter of credit for Overseas Subsidiary Golden Harvest Middle East FZC
 - Axis Bank ₹ 1,042.56 Lakhs
 - ₹ 1,042.56 Lakhs
- Claims against company not acknowledged as debts ₹ 1,292.18 Lakhs which includes tax dues disputed as ₹ 10.47 Lakhs towards sales Tax, ₹ 480.27 Lakhs towards Income Tax ₹ 792.01 Lakhs towards central excise & customs and in ₹ 9.43 Lakhs pertaining to pending suits regarding quality issue.
- 1(a). The Commissioner of Central Excise, Hyderabad had issued Show Cause-Cum-Demand Notices for levy of Excise Duty on clearances of Micronutrients by proposing to classify the same as Plant Growth Regulators under Chapter Heading No. 38.08 of Central Excise Act and thereafter vide his order dated 30th November, 2005 upheld the classification of Micronutrients under chapter heading no 3105 as Fertilizers and consequently cancelled the demand. The Department had preferred appeals against the said orders before CESTAT, Hyderabad. The total amount demanded was to the tune of ₹ 356.40 Lakhs. CESTAT, Hyderabad vide their order bearing no A/30767-30768/2017 dated 19.06.2017 confirmed the classification of Micronutrients as Fertilizers under chapter heading no 3105 of the Central Excise Tariff and dismissed the appeal filed by the Central Excise authorities.
- 1(b). The Commissioner of Central Excise, Mumbai had issued Show Cause-Cum-Demand Notices for levy of Excise Duty on clearances of Micronutrients by proposing to classify the same as Plant Growth Regulators under Chapter Heading No. 38.08 of Central Excise Act and thereafter vide his order dated 27th November, 2006 upheld the classification of Micronutrients under chapter heading no 3105 as Fertilizers and consequently cancelled the demand. The Department had preferred appeals against the said orders before CESTAT, Mumbai and the same is pending before them. The total amount demanded was to the tune of ₹ 725.60 Lakhs and the appeals are pending before CESTAT, Mumbai.
2. Commissioner of Central Excise, Ahmedabad – II, has passed an order confirming demand of ₹ 3.81 Crores on account of Central Excise duty, interest on the said amount and penalty of like amount i.e. ₹ 3.81 Crores against which the Company has preferred an appeal before the Central Excise and Service Tax Appellate Tribunal, Ahmedabad and the same is pending before CESTAT, Ahmedabad.

The Central Board of Excise and Customs vide their Circular No. 1022/10/2016/CX dated 06/04/2016 has clarified that Micronutrients are not classifiable as Plant Growth Regulators and hence are not classifiable under Chapter Heading No. 38.08 of the Central Excise Act.

NOTES to the Consolidated Financial Statements for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

Under the circumstances, and in view of legal pronouncements that the Excise Authorities cannot go beyond the Show Cause Notice, the Show Cause-Cum-Demand Notices are liable to be dropped in view of the Circular referred to above.

3. The Company has been classifying Sulphur Bentonite under Chapter Heading No. 25030090 as other forms of Sulphur. However, the Customs authorities classified Sulphur Bentonite imported under Chapter Heading No. 25030010 "as recovered byproduct in refining of crude oil". The Additional Commissioner of Customs, Nhava Sheva confirmed the classification under Chapter Heading No. 25030010 and demanded an amount of ₹ 29.91 Lakhs, in addition penalty of like amount i.e. ₹ 29.91 Lakhs along with fine and penalty of ₹ 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.

41. 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).

42. EVENTS OCCURRING AFTER BALANCE SHEET

- a) Dividend proposed to be distributed

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Dividend proposed for Equity Shareholders @ ₹ 2.30 per share (Previous Year @ ₹ 2/- per share)	2,99,09,980	2,60,08,678
Total	2,99,08,980	2,99,08,980

43. 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.
44. Previous Years figures have been regrouped and rearranged wherever necessary so as to make them comparable with the current year.

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

Sandeep Sheth
Proprietor
Membership No 101903

Dr. Jimmy Mirchandani
Director
DIN 00239021

Mr. C. B. Chhaya
Director
DIN 00968966

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

Place : Mumbai
Date : 23rd May, 2018

Mrs. Nitya Mirchandani
Director
DIN 06882384

Mr. B.V. Dholakia
Director
DIN 01871816

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 2018, 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 2018 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: 16 April 2018

Place: Sharjah

STATEMENT OF FINANCIAL POSITION AT 31ST MARCH 2018

	Notes	2018 AED	2017 AED
ASSETS			
Non-current assets			
Property, plant and equipment	5	-	-
Investment in subsidiaries	6	2,250,000	3,450,000
		2,250,000	3,450,000
Current assets			
Trade receivables	7	8,367,557	9,417,126
Prepayments and other receivables	8	783,735	30,990
Amounts due from related parties	9	33,814,227	26,663,718
Advance towards share application money	10	27,849,627	27,849,627
Cash and bank balances	11	24,705	80,454
Total current assets		70,839,851	64,041,915
TOTAL ASSETS		73,089,851	67,491,915
SHAREHOLDERS' FUNDS AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	12	150,000	150,000
Shareholders' current accounts	13	19,211,904	19,308,140
Retained earnings		14,297,733	16,758,721
Reserve fund	14	75,000	75,000
Total shareholders' funds		33,734,637	36,291,861
Non current liabilities			
Provision for employees' terminal benefits	15	29,679	230,469
Total non - current liabilities		29,679	230,469
Current liabilities			
Trade payables and accruals	16	226,842	1,267,930
Bank borrowings	17	5,880,000	19,477,500
Amounts due to related parties	9	33,218,693	10,224,155
Total current liabilities		39,325,535	30,969,585
Total liabilities		39,355,214	31,200,054
TOTAL SHAREHOLDERS' FUNDS AND LIABILITIES		73,089,851	67,491,915

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 : 16 April 2018

Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 AED	2017 AED
INCOME			
Sales		-	1,014,167
Cost of sales		-	(1,757,538)
GROSS PROFIT		-	(743,371)
Other income		13,436	2,810
Total income		13,436	(740,561)
EXPENSES			
Administration, selling and general expenses	18	473,009	1,123,692
Finance charges	19	2,001,415	837,094
Loss on sale of property, plant and equipment (net)		-	1,649,216
Depreciation		-	231,029
Total expenses		2,474,424	3,841,031
Net (loss) for the year		(2,460,988)	(4,581,592)

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 : 16 April 2018

Director

STATEMENT OF CHANGES IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 31 MARCH 2018

Year to 31 March 2018	Share capital	Shareholders' current accounts	Retained earnings	Reserve fund	Total
	AED	AED	AED	AED	AED
Balance at 1 April 2017	150,000	19,308,140	16,758,721	75,000	36,291,861
Net (loss) for the year	-	-	(2,460,988)	-	(2,460,988)
Net movement in current accounts	-	(96,236)	-	-	(96,236)
Balance at 31 March 2018	150,000	19,211,904	14,297,733	75,000	33,734,637

Year to 31 March 2017	Share capital	Shareholders' current accounts	Retained earnings	Reserve fund	Total
	AED	AED	AED	AED	AED
Balance at 1 April 2016	150,000	21,178,484	21,340,313	75,000	42,743,797
Net (loss) for the year	-	-	(4,581,592)	-	(4,581,592)
Net movement in current accounts	-	(1,870,344)	-	-	(1,870,344)
Balance at 31 March 2017	150,000	19,308,140	16,758,721	75,000	36,291,861

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

	2018	2017
	AED	AED
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) for the year	(2,460,988)	(4,581,592)
Adjustment for:		
Depreciation	-	231,029
Provision for employees' terminal benefits	(200,790)	(21,488)
Loss on sale of property, plant and equipment	-	1,649,216
Operating (loss) before working capital changes	(2,661,778)	(2,722,835)
Decrease in inventories	-	1,550,664
Decrease in trade receivables	1,049,569	-
(Increase)/decrease in prepayments and other receivables	(752,745)	114,054
(Increase)/decrease in amounts due from related parties	(7,150,509)	287,380
(Decrease) in trade payables and accruals	(1,041,088)	(690,942)
(Decrease) in bank borrowings	(13,597,500)	(2,951,025)
Increase in amounts due to related parties	22,994,538	3,912,361
Net cash (used in) operating activities	(1,159,513)	(500,343)
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in investments	1,200,000	-
Proceeds from sale of property, plant and equipment	-	2,446,974
Net cash from investing activities	1,200,000	2,446,974
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movement in current accounts	(96,236)	(1,870,344)
Net cash (used in) financing activities	(96,236)	(1,870,344)
Net (decrease)/increase in cash and cash equivalents	(55,749)	76,287
Cash and cash equivalents at beginning of the year	80,454	4,167
Cash and cash equivalents at end of the year	24,705	80,454

For Golden Harvest Middle East FZC

Place: Sharjah

Date : 16 April 2018

Director

NOTES to the Financial Statements for the year ended 31st March 2018

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

Management: The Company is managed by Mr. Akshay Mirchandani, Indian national.

Accounting period: These financial statements relate to the period from 1 April 2017 till 31 March 2018.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

2.1 New and amended standards adopted by the Company

The following standards and amendments have been adopted by the Company for the first time for the financial year beginning on 1 January 2016:

- *Accounting for acquisitions of interests in joint operations – Amendments to IFRS 11*
- *Clarification of acceptable methods of depreciation and amortisation – Amendments to IAS 16 and IAS 38*
- *Annual improvements to IFRSs 2012 – 2014 cycle, and*
- *Disclosure Initiative: Amendments to IAS 1.*

The adoption of these amendments did not have any impact on the financial statements of the Company for the current period or any prior period and is not likely to affect future periods.

The Company also elected to adopt the following amendments early:

Disclosure Initiative: Amendments to IAS 7.

This amendment requires disclosure of changes in liabilities arising from financing activities

2.2 New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2017, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out below:

IAS 12, 'Income taxes' was amended to clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- (i) a temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period;

- (ii) an entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit;
- (iii) where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type; and,
- (iv) tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets.

This amendment is effective for annual periods beginning on or after 1 January 2017.

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI with no recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in a company's own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually uses for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Company expects IFRS 9 to have an immaterial impact on the accounting for available-for-sale financial assets and derivatives.

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18, 'Revenue' and IAS 11, 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Company expects IFRS 15 to have an immaterial impact on the provision of services and management income that fall under the scope of IFRS 15.

NOTES to the Financial Statements for the year ended 31st March 2018

IFRS 16, 'Leases' was issued in January 2016. For lessees, it will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases will be removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change. The standard is effective for annual periods beginning on or after 1 January 2019 and earlier application is permitted.

The Company expects IFRS 16 to have an immaterial impact on its current accounting practices.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

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, plant and equipment and investment property – measured at fair value;
- assets held for sale – measured at fair value less cost of disposal, and
- defined benefit pension plans – plan assets measured at fair value.

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, plant and equipment

Property, plant 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, plant 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, plant and equipment is depreciated by equal annual installments over the estimated useful lives of the assets. The estimated useful lives of the assets for the

calculation of depreciation are as follows:

Building	20 years
Machineries	10 years
Equipment	5 years
Office furniture	5 years
Motor vehicle	4 years

The gain or loss on the disposal or retirement of an item of property, plant 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 Financial assets

Financial assets are classified as financial assets at receivables, held-to-maturity financial assets and available-for-sale financial assets, as appropriate. The Company determines the classification of its financial assets at initial recognition.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Financial assets are derecognised only when the contractual rights to the cash flows from the financial asset expire or the Company transfers substantially all risks and rewards of ownership.

Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade receivables originated by the Company are measured at cost. An allowance for credit losses of trade receivable is established when there is objective evidence that the Company will not be able to collect the amounts due. Indicators that the trade receivable are impaired include consistent default in the payments when due, financial difficulties of the customer and other indicators.

When a trade receivable is considered uncollectible, it is written off against the allowance account for credit losses. Subsequent recoveries of amounts previously written off are credited in the statement of income. The carrying value of trade receivable approximate to their fair value due to the short term nature of those receivables.

Cash and cash equivalents

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

Impairment of financial assets

The Company assesses at each financial position date whether there is objective evidence that a financial asset or group of

NOTES to the Financial Statements for the year ended 31st March 2018

financial assets is impaired. If there is objective evidence (such as significant financial difficulty of the obligor, breach of contract, or it becomes probable that the debtor will enter bankruptcy), the asset is tested for impairment. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (that is, the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognized in statement of income.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. Impaired debts are derecognized when they are assessed as uncollectible.

For debt securities, if any such evidence exists, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from equity and recognized in profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through the statement of income.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from equity and recognized in profit or loss. Impairment losses recognized in the statement of income on equity instruments are not reversed through the statement of income.

If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in statement of income.

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 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.

3.11 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.

3.12 Inventories

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

3.13 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan

NOTES to the Financial Statements for the year ended 31st March 2018

to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

3.14 Borrowing cost

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

3.15 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.

3.16 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.

3.17 Foreign currencies

Functional and presentation currency

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

Transaction and balances

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

3.18 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.

3.19 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.

NOTES to the Financial Statements for the year ended 31st March 2018

4. SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revisions affect both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Impairment of trade receivables and 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, plant and equipment

A decline in the value of property, plant and equipment could have a significant effect on the amounts recognized in the financial statements. Management assesses the impairment of property, plant and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Factors that are considered important which could trigger an impairment review include the following:

- significant changes in the technology and regulatory environments
- evidence from internal reporting which indicates that the economic performance of the asset is, or will be, worse than expected.

Useful life of property, plant and equipment

The Company's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear.

Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

5. PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicle AED	Total AED
Cost		
at 1 April 2017	33,500	33,500
at 31 March 2018	33,500	33,500
Depreciation		
at 1 April 2017	33,500	33,500
at 31 March 2018	33,500	33,500
Net book Values:		
at 31 March 2018	-	-
	-	-
at 31 March 2017		

6. INVESTMENTS IN SUBSIDIARIES

(Un-quoted at cost)

At the balance sheet date, Company is holding 75% shares in a subsidiary company M/s Amarak Chemicals FZC, registered in Fujairah Free Zone, Fujairah, United Arab Emirates amounting to AED 2,250,000.

7. TRADE RECEIVABLES

	2018 AED	2017 AED
Trade receivables	8,367,557	9,417,126
	8,367,557	9,417,126

- At 31 March 2018, 100% of the net trade receivables (2017 – 100%) are due from 3 customers (2017 – 3 customers).
- In the opinion of the management, the receivables are considered good and fully recoverable.
- The aging analysis of the trade receivables are as follows:

	2018 AED	2017 AED
Due for less than 6 months	-	-
Due for more than 6 months	8,367,557	9,417,126
	8,367,557	9,417,126

NOTES to the Financial Statements for the year ended 31st March 2018

8. PREPAYMENTS AND OTHER RECEIVABLES

	2018 AED	2017 AED
Prepayments	22,625	25,890
Deposits	2,800	5,100
Loans and advances	758,310	-
	783,735	30,990

9. RELATED PARTY TRANSACTIONS

The Company has in the ordinary course of business, entered into trading, financial and service transactions with concerns in which the shareholders' /directors'/manager of the Company or their relatives have an investing / controlling interest.

The prices and terms of these transactions were approved by the management and considered comparable to those charged by third parties. The amounts outstanding from/to related parties are unsecured, which do not attract interest and are payable on demand. No expense has been recognized in the period for bad or doubtful debts in respect of the amounts owed by related parties.

At the end of the reporting period, amount due from/to related parties were as follows:-

	2018 AED	2017 AED
<u>Amount due from related parties</u>		
MAPCO Fertilizers FZC, Hamriyah Free Zone, Sharjah	-	982,243
Amarak Chemicals FZC, Fujairah	32,235,284	24,102,532
Aries Agro Limited, Mumbai	1,578,943	1,578,943
	33,814,227	26,663,718
<u>Amount due to related parties</u>		
Aries Agro Limited	33,218,693	10,224,155
	33,218,693	10,224,155

During the year, the Company entered into the following transactions with related parties:-

Key management compensation (including Director's emoluments)	2018 AED	2017 AED
Directors' remuneration	235,000	411,600
	235,000	411,600

10. ADVANCE TOWARDS SHARE APPLICATION MONEY

This represents amount paid to the subsidiary Company, Amarak Chemicals FZC, Fujairah Free Zone towards advance for allotment of shares.

11. CASH AND BANK BALANCES

	2018 AED	2017 AED
Cash in hand	-	2,492
Current account with banks	24,705	77,962
	24,705	80,454

12. SHARE CAPITAL

	2018 AED	2017 AED
Authorised, issued and paid-up capital (1,500 shares of AED 100 each)	150,000	150,000
	150,000	150,000

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

	2018 AED	2017 AED
Trade payables	13,575	145,140
Accrued expenses	54,431	1,122,790
Other payables	158,836	-
	226,842	1,267,930

NOTES to the Financial Statements for the year ended 31st March 2018

17. BANK BORROWINGS

This represents short term loan taken from a financial institution which bears interest at commercial rates.

The above loan is secured against standby LC issued by Axis Bank, India of M/s Aries Agro Ltd, Mumbai, the shareholder of the Company.

18. ADMINISTRATION, SELLING AND GENERAL EXPENSES

	2018 AED	2017 AED
Salaries and benefits	324,923	612,313
Other expenses	46,207	188,594
Rent expenses	41,443	182,810
Legal and professional charges	35,502	82,032
Communication expenses	14,832	27,275
Traveling, and conveyance	4,357	8,526
Printing and stationery	2,318	1,302
Repairs and maintenance	2,260	6,383
Insurance charges	1,167	14,457
	473,009	1,123,692

19. FINANCE CHARGES

	2018 AED	2017 AED
Bank charges	19,555	37,296
Interest charges	1,981,860	799,798
	2,001,415	837,094

20. 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.

	2018 AED	2017 AED	2018 AED	2017 AED
	Carring amount		Fair Value	
Financial assets				
Trade receivables	8,367,557	9,417,126	8,367,557	9,417,126
Deposits and advances	761,110	5,100	761,110	5,100
Amount due from related parties	33,814,227	26,663,718	33,814,227	22,663,718
Cash and bank balances	24,705	80,454	24,705	80,454
	42,967,599	36,166,398	42,967,599	36,166,398

	2018 AED	2017 AED	2018 AED	2017 AED
	Carring amount		Fair Value	
Financial liabilities				
Trade payable and accruals	68,006	1,267,930	68,006	1,267,930
Bank borrowings	5,880,000	19,477,500	5,880,000	19,477,500
Amount due to related parties	33,218,693	10,224,155	33,218,693	10,224,155
	39,166,699	30,969,585	39,166,699	30,969,585

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 cash, bank balances, trade receivables, deposits, advances and amounts due from related parties. Financial liabilities include bank borrowings, amounts 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.

21. 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) 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.

(ii) 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.

(iii) Liquidity risk

The Company manages its liquidity risk by ensuring it has sufficient liquid cash balances to meet its payment obligations as they fall due. The Company maintains good working relations with its banks and ensures compliance with the covenants as stipulated in facility arrangements.

NOTES to the Financial Statements for the year ended 31st March 2018

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.

	2018			2017		
	Less than 365 days	More than 365 days	Total	Less than 365 days	More than 365 days	Total
	AED	AED	AED	AED	AED	AED
Financial assets						
Non - interest bearing	34,600,042	8,367,557	42,967,599	26,749,272	9,417,126	36,166,398
Interest bearing	-	-	-	-	-	-
	<u>34,600,042</u>	<u>8,367,557</u>	<u>42,967,599</u>	<u>26,749,272</u>	<u>9,417,126</u>	<u>36,166,398</u>
Financial liabilities						
Non - interest bearing	33,286,699	-	33,286,699	11,492,085	-	11,492,085
Interest bearing	5,880,000	-	5,880,000	19,477,500	-	19,477,500
	<u>39,166,699</u>	<u>-</u>	<u>39,166,699</u>	<u>30,969,585</u>	<u>-</u>	<u>30,969,585</u>

(iv) 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.

22. CAPITAL COMMITMENTS

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known capital commitment on Company's financial statements as of reporting date.

23. CONTINGENT LIABILITIES

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability on Company's financial statements as of reporting date.

24. COMPARATIVE FIGURES

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

However such reclassification does not have impact on the previously reported loss or equity.

25. LEVEL OF PRECISION

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

26. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the shareholders and authorized for issue on 16 April 2018.

For Golden Harvest Middle East FZC

Director

INDEPENDENT AUDITOR'S REPORT

The Shareholders'
Amarak Chemicals FZC
Fujairah Free Zone
Fujairah – United Arab Emirates

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Amarak Chemicals FZC, Fujairah Free Zone, Fujairah, United Arab Emirates** (the Company), which comprise the statement of financial position as at 31 March 2018, 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.

As stated in Note 5 to the financial statements, the factory was not in operation during the year and hence the management of the Company decided not to provide depreciation on factory building, machineries, furniture, fixtures and office equipment. Hence while preparing these financial statements, no deprecation has been provided on the above assets during the year.

In our opinion, except for the effects on the matters referred in the preceding paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2018 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: 16 April 2018

Place: Dubai

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2018

	Notes	2018 AED	2017 AED
ASSETS			
Non-current assets			
Property, plant and equipment	5	30,166,844	26,152,406
Capital work-in-progress		-	4,079,250
Total non-current assets		30,166,844	30,231,656
Current assets			
Inventories		-	15,064,920
Trade receivables	6	41,462,076	29,624,254
Deposits, advances and prepayments	7	14,965,553	14,992,817
Cash and bank balances	8	67,741	211,888
Total current assets		56,495,370	59,893,879
TOTAL ASSETS		86,662,214	90,125,535
SHAREHOLDERS' FUNDS AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	9	3,000,000	3,000,000
Shareholders' current accounts	10	4,718,841	10,785,972
Legal reserve	11	905,776	905,776
Retained earnings		6,520,043	6,915,519
Total shareholders' equity		15,144,660	21,607,267
Share application money	12	27,849,627	27,849,627
Total shareholders' funds		42,994,287	49,456,894
Non current liabilities			
Provision for employees' terminal benefits	13	21,120	245,689
Total non-current liabilities		21,120	245,689
Current liabilities			
Trade payables and accruals	14	10,108,895	14,075,154
Amounts due to related parties	15	33,537,912	26,347,798
Total current liabilities		43,646,807	40,422,952
Total liabilities		43,667,927	40,668,641
TOTAL SHAREHOLDERS' FUNDS AND LIABILITIES		86,662,214	90,125,535

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making judgements underlying them.

For Amarak Chemicals FZC

Place: Fujairah
Date: 16 April 2018

Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 AED	2017 AED
INCOME			
Sales		17,078,368	20,163,503
Cost of sales	16	(15,164,767)	(14,154,262)
GROSS PROFIT		1,913,601	6,009,241
Other income	17	31,918	684,877
Total income		1,945,519	6,694,118
EXPENSES			
Administration and general expenses	18	716,011	2,868,764
Finance charges	19	1,599,349	382,242
Depreciation	5	25,635	2,478,397
Total expenses		2,340,995	5,729,403
Net (loss)/profit for the year		(395,476)	964,715

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making judgements underlying them.

For Amarak Chemicals FZC

Place: Fujairah

Date: 16 April 2018

Director

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2018

Year to 31 March 2018	Share capital AED	Shareholders' current accounts AED	Retained earnings AED	Legal reserve AED	Total AED
Balance at 1 April 2017	3,000,000	10,785,972	6,915,519	905,776	21,607,267
Net (loss) for the year	-	-	(395,476)	-	(395,476)
Net movements in current accounts	-	(6,067,131)	-	-	(6,067,131)
Balance at 31 March 2018	3,000,000	4,718,841	6,520,043	905,776	15,144,660
Year to 31 March 2017	Share capital AED	Shareholders' current accounts AED	Retained earnings AED	Legal reserve AED	Total AED
Balance at 1 April 2016	3,000,000	9,976,804	6,047,276	809,304	19,833,384
Net profit for the year	-	-	964,715	-	964,715
	-	-	(96,472)	96,472	-
Net movements in current accounts	-	809,168	-	-	809,168
Balance at 31 March 2017	3,000,000	10,785,972	6,915,519	905,776	21,607,267

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

	2018	2017
	AED	AED
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss)/profit for the year	(395,476)	964,715
Adjustment for:		
Depreciation	25,635	2,478,397
Profit on disposal of property, plant and equipment	15,670	(111,765)
Provision for employees' terminal benefits	(224,569)	(5,919)
Operating (loss)/profit before working capital changes	(578,740)	3,325,428
Decrease in capital work-in-progress	4,079,250	-
Decrease in inventories	15,064,920	7,275,154
(Increase) in trade receivables	(11,837,822)	(17,220,423)
Decrease in amounts due from related parties	-	241,800
Decrease/(increase) in deposits, advances and prepayments	27,264	(1,124,995)
(Decrease)/increase in trade payable and accruals	(3,966,259)	3,957,704
Increase in amounts due to related parties	7,190,114	2,894,737
Net cash from/(used in) operating activities	9,978,727	(650,595)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase/transfers of property, plant and equipment	(4,110,243)	(102,580)
Proceeds from sale of property, plant and equipment	54,500	316,900
Net cash (used in)/from investing activities	(4,055,743)	214,320
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movement in current accounts	(6,067,131)	809,168
(Decrease) in term loans	-	(174,408)
Net cash (used in)/from financing activities	(6,067,131)	634,760
Net (decrease)/increase in cash and cash equivalents	(144,147)	198,485
Cash and cash equivalents at beginning of the year	211,888	13,403
Cash and cash equivalents at end of the year	67,741	211,888

Notes To The Financial Statements For The Year Ended 31 March 2018

1. LEGAL STATUS AND ACTIVITY

Legal status: Amarak Chemicals FZC ("the Company") is a Free Zone Company registered in Fujairah Free Zone in the Emirate of Fujairah with limited liability pursuant to and the Implementing Regulations issued there under by the Fujairah Free Zone Authority.

The Company is operating under license No 2084 issued on 9 September 2007 by Fujairah Free Zone Authority, Fujairah, United Arab Emirates.

Activity: The principal activity of the Company is manufacturing of chemicals and fertilizers. The principal place of business of the Company is located at Fujairah Free Zone, Fujairah, United Arab Emirates.

Management: The Company is managed by Mr. Akshay Mirchandani, Indian National.

Accounting period: These financial statements relate to the period from 1 April 2017 till 31 March 2018.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

2.1. New and amended standards adopted by the Company

The following standards and amendments have been adopted by the Company for the first time for the financial year beginning on 1 January 2016:

- *Accounting for acquisitions of interests in joint operations – Amendments to IFRS 11*
- *Clarification of acceptable methods of depreciation and amortisation – Amendments to IAS 16 and IAS 38*
- *Annual improvements to IFRSs 2012 – 2014 cycle, and*
- *Disclosure Initiative: Amendments to IAS 1.*

The adoption of these amendments did not have any impact on the financial statements of the Company for the current period or any prior period and is not likely to affect future periods.

The Company also elected to adopt the following amendments early:

Disclosure Initiative: Amendments to IAS 7.

This amendment requires disclosure of changes in liabilities arising from financing activities

2.2. New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2017, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out below:

IAS 12, 'Income taxes' was amended to clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- (i) a temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period;
- (ii) an entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit;
- (iii) where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type; and,
- (iv) tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets.

This amendment is effective for annual periods beginning on or after 1 January 2017.

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI with no recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in a company's own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually uses for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Company expects IFRS 9 to have an immaterial impact on the accounting for available-for-sale financial assets and derivatives.

Notes To The Financial Statements For The Year Ended 31 March 2018

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18, 'Revenue' and IAS 11, 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Company expects IFRS 15 to have an immaterial impact on the provision of services and management income that fall under the scope of IFRS 15.

IFRS 16, 'Leases' was issued in January 2016. For lessees, it will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases will be removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change. The standard is effective for annual periods beginning on or after 1 January 2019 and earlier application is permitted.

The Company expects IFRS 16 to have an immaterial impact on its current accounting practices.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

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, plant and equipment and investment property – measured at fair value;
- assets held for sale – measured at fair value less cost of disposal, and
- defined benefit pension plans – plan assets measured at fair value.

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, plant and equipment

Property, plant and equipment are 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, plant 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, plant and equipment is depreciated by equal annual installments over the estimated useful lives of the assets. The estimated useful lives of the assets for the calculation of depreciation are as follows:

Building	20 years
Machineries	10 years
Furniture, fixtures and office equipment	5 years
Motor vehicle	4 years

The gain or loss on the disposal or retirement of an item of Property, plant 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.

Notes To The Financial Statements For The Year Ended 31 March 2018

3.6. Financial assets

Financial assets are classified as financial assets at receivables, held-to-maturity financial assets and available-for-sale financial assets, as appropriate. The Company determines the classification of its financial assets at initial recognition.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Financial assets are derecognised only when the contractual rights to the cash flows from the financial asset expire or the Company transfers substantially all risks and rewards of ownership.

Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade receivables originated by the Company are measured at cost. An allowance for credit losses of trade receivable is established when there is objective evidence that the Company will not be able to collect the amounts due. Indicators that the trade receivable are impaired include consistent default in the payments when due, financial difficulties of the customer and other indicators.

When a trade receivable is considered uncollectible, it is written off against the allowance account for credit losses. Subsequent recoveries of amounts previously written off are credited in the statement of income. The carrying value of trade receivables approximate to their fair value due to the short term nature of those receivables.

Cash and cash equivalents

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

Impairment of financial assets

The Company assesses at each financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence (such as significant financial difficulty of the obligor, breach of contract, or it becomes probable that the debtor will enter bankruptcy), the asset is tested for impairment. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (that is, the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognized in statement of income.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. Impaired debts are derecognized when they are assessed as uncollectible.

For debt securities, if any such evidence exists, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from equity and recognized in profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through the statement of income.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from equity and recognized in profit or loss. Impairment losses recognized in the income statement on equity instruments are not reversed through the statement of income.

If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in statement of income.

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.

Notes To The Financial Statements For The Year Ended 31 March 2018

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. 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.

3.11. 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.

3.12. Inventories

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

3.13. 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.

3.14. 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.

Notes To The Financial Statements For The Year Ended 31 March 2018

3.15. 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.

3.16. Foreign currencies

Functional and presentation currency

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

Transaction and balances

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

3.17. 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.

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

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 income statement.

Impairment of property, plant and equipment

A decline in the value of property, plant and equipment could have a significant effect on the amounts recognized in the financial statements. Management assesses the impairment of Property, plant and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Factors that are considered important which could trigger an impairment review include the following:

- significant changes in the technology and regulatory environments
- evidence from internal reporting which indicates that the economic performance of the asset is, or will be, worse than expected.

Useful life of property, plant and equipment

The Company's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Notes To The Financial Statements For The Year Ended 31 March 2018

5. PROPERTY, PLANT AND EQUIPMENT

Movement in property, plant and equipment are given on page number 25.

During the year, the factory was not in operation and hence the management of the Company decided not to provide depreciation on factory buildings, machineries, furniture, fixtures, and office equipment. Accordingly, while preparing these financial statements, no depreciation has been provided on the above assets during the year.

6. TRADE RECEIVABLES

	2018 AED	2017 AED
Trade receivables	41,462,076	29,624,254
	<u>41,462,076</u>	<u>29,624,254</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:

The aging analysis of the trade receivables are as follows:

	2018 AED	2017 AED
Due for less than 6 months	6,223,803	17,003,584
Due for more than 6 months	35,238,273	12,620,670
	<u>41,462,076</u>	<u>29,624,254</u>

7. DEPOSITS, ADVANCES AND PREPAYMENTS

	2018 AED	2017 AED
Prepayments	368,207	310,969
Deposits	57,750	139,333
Advance to suppliers	14,533,596	14,540,496
Other receivables	6,000	2,019
	<u>14,965,553</u>	<u>14,992,817</u>

8. CASH AND BANK BALANCES

	2018 AED	2017 AED
Cash in hand	-	4,257
Current account with banks	67,741	207,631
	<u>67,741</u>	<u>211,888</u>

9. SHARE CAPITAL

	2018 AED	2017 AED
Authorised, issued and paid-up capital (20,000 shares of AED 150 each)	3,000,000	3,000,000
	<u>3,000,000</u>	<u>3,000,000</u>

Notes To The Financial Statements For The Year Ended 31 March 2018

10. SHAREHOLDERS' CURRENT ACCOUNTS

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

11. LEGAL RESERVE

This represents reserve created out of profit of the Company in accordance with the provisions of Memorandum and Articles of Association of the Company.

12. SHARE APPLICATION MONEY

Share application money represents amount received from Golden Harvest Middle East FZC, Sharjah Airport International Free Zone, United Arab Emirates, a shareholder of the Company towards advance for allotment of shares of the Company.

13. 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.

14. TRADE PAYABLES AND ACCRUALS

	2018 AED	2017 AED
Trade payables	3,754,893	6,426,460
Accrued expenses	13,036	604,178
Other payables	6,340,966	6,615,000
Advance received from customers	-	429,516
	10,108,895	14,075,154

15. RELATED PARTY TRANSACTIONS

The Company has in the ordinary course of business, entered into trading, financial and service transactions with concerns in which the shareholders' /directors'/manager of the Company or their relatives have an investing / controlling interest.

The prices and terms of these transactions were approved by the management and considered comparable to those charged by third parties. The amounts outstanding to related parties are unsecured, which do not attract interest and are payable on demand. No expense has been recognized in the period for bad or doubtful debts in respect of the amounts owed by related parties.

At the end of the reporting period, amount due to related parties were as follows:-

	2018 AED	2017 AED
Golden Harvest Middle East FZC (net)	32,235,284	24,102,532
Aries Agro Ltd, Mumbai, India (net)	1,302,628	2,245,266
	33,537,912	26,347,798

16. COST OF SALES

	2018 AED	2017 AED
Opening inventories	15,064,920	22,340,074
Purchases	-	5,966,157
Direct expenses	99,847	912,951
Less: Closing inventories	-	(15,064,920)
	15,164,767	14,154,262

Notes To The Financial Statements For The Year Ended 31 March 2018

17. OTHER INCOME

	2018	2017
	AED	AED
Profit on sale of assets	650	-
Gain on currency exchange fluctuation	9,268	-
Miscellaneous income	22,000	720
Profit on sale of motor vehicle	-	111,765
Excess provision written back	-	572,392
	31,918	684,877

18. ADMINISTRATION AND GENERAL EXPENSES

	2018	2017
	AED	AED
Rent expenses	402,189	610,774
Salaries and benefits	107,365	860,161
Legal and professional charges	76,126	152,564
Vehicle running expenses	42,098	69,472
Communication expenses	29,719	145,448
Office expenses	25,644	175,862
Other expenses	15,670	-
Water and electricity charges	7,336	48,174
Insurance charges	4,800	83,549
Repairs and maintenance	2,434	26,295
Travelling expenses	1,892	10,194
Printing and stationery	738	5,019
Clearing and forwarding charges	-	641,378
Commission expenses	-	39,874
	716,011	2,868,764

19. FINANCE CHARGES

	2018	2017
	AED	AED
Bank charges	11,271	29,021
Interest charges	1,588,078	353,221
	1,599,349	382,242

20. 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.

	2018 AED		2017 AED	
	Carrying value	Fair Value	Carrying value	Fair Value
Financial Assets				
Trade receivables	41,462,076	41,462,076	29,624,254	29,624,254
Deposits and advances	63,750	63,750	141,352	141,352
Cash and bank balances	67,741	67,741	211,888	211,888
	41,593,567	41,593,567	29,977,494	29,977,494
Financial Liabilities				
Trade payables and accruals	10,108,895	10,108,895	13,645,638	13,645,638
Amount due to related parties	33,537,912	33,537,912	26,347,798	26,347,798
	43,646,807	43,646,807	39,993,436	39,993,436

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 cash, bank balances, trade receivables, deposits, and advances. Financial liabilities include amounts 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.

21. 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), 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) 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.

(ii) 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.

	2018			2017		
	Less than 365 days	More than 365 days	Total	Less than 365 days	More than 365 days	Total
	AED	AED	AED	AED	AED	AED
<u>Financial assets</u>						
Non - interest bearing	6,223,803	35,369,764	41,593,567	17,356,824	12,620,670	29,977,494
Interest bearing	-	-	-	-	-	-
	6,223,803	35,369,764	41,593,567	17,356,824	12,620,670	29,977,494
<u>Financial liabilities</u>						
Non - interest bearing	43,646,807	-	43,646,807	39,993,436	-	39,993,436
Interest bearing	-	-	-	-	-	-
	43,646,807	-	43,646,807	39,993,436	-	39,993,436

(iii) **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, trade and other receivables.

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.

22. CAPITAL COMMITMENTS

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known capital commitment on Company's financial statements as of reporting date.

23. CONTINGENT LIABILITIES

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability on Company's financial statements as of reporting date.

24. COMPARATIVE FIGURES

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

However such reclassification does not have impact on the previously reported profit or equity.

25. LEVEL OF PRECISION

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

26. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the shareholders and authorized for issue on 16 April 2018.

5 PROPERTY, PLANT AND EQUIPMENT AT 31 MARCH 2018

	Building	Machineries	Furniture, fixtures and office equipments	Motor vehicles	Total
	AED	AED	AED	AED	AED
Cost:					
at 1 April 2017	14,776,069	32,529,662	167,985	85,500	47,559,216
transferred from capital work-in-progress	-	4,079,250	-	-	4,079,250
additions during the year	-	12,493	-	18,500	30,993
disposals during the year	-	(20,304)	-	(85,500)	(105,804)
at 31 March 2018	14,776,069	36,601,101	167,985	18,500	51,563,655
Depreciation:					
at 1 April 2017	4,469,389	16,758,221	167,985	11,215	21,406,810
charge for the year	-	-	-	25,635	25,635
on disposal	-	(3,074)	-	(32,560)	(35,634)
at 31 March 2018	4,469,389	16,755,147	167,985	4,290	21,396,811
Net book values:					
at 31 March 2018	10,306,680	19,845,954	-	14,210	30,166,844
at 31 March 2017	10,306,680	15,771,441	-	74,285	26,152,406

NOTICE OF 12TH ANNUAL GENERAL MEETING

Notice is hereby given that the Twelfth Annual General Meeting of the Members of **ARIES AGRO CARE PRIVATE LIMITED** will be held on Thursday, 27th September, 2018 at 10.30 AM at the Registered office of the Company at Aries House, Plot No. 24, Deonar, Govandi (East), Mumbai -400 043 to transact the following Ordinary Business:-

1. To receive, consider, approve and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2018, 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 in partial modification of the resolution passed at the 8th Annual General Meeting of the Company held on 22nd September, 2014 and pursuant to the enforcement of first proviso and explanation to Section 139 of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 and all other applicable sections read with relevant rules under the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) that M/s. Kirti D. Shah & Associates, Chartered Accountants, Mumbai,(Membership No. 32371), who were appointed as the Statutory Auditors of the Company, to hold office from the conclusion of the Eighth Annual General Meeting shall continue to hold such office till the conclusion of the Thirteenth Annual General Meeting without any ratification from the members at a remuneration inclusive of Goods and Service tax and such other tax(es) (as may be applicable) and reimbursement of all out-of-pocket expenses (including terms of payment) to be fixed by the Board of Directors of the Company."

**By Order of the Board
For Aries Agro Care Private Limited**

**Dr. Rahul Mirchandani
Director
DIN: 00239057**

Place: Mumbai
Date: 15th May, 2018

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 Twelfth Annual Report together with Audited Financial Statements of the Company for the Financial Year ended 31st March, 2018.

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. 44,678/- as compared to the Loss of Rs. 32,645/- 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 2017-18, 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..

13. DIRECTORS & KEY MANAGERIAL PERSONNEL:

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Dr. Rahul Mirchandai(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..

14. MEETINGS OF BOARD

Four Meetings of the Board of Directors were held during the year on 25.05.2017, 14.09.2017, 26.12.2017 and 12.02.2018.

15. AUDITORS :

M/s. Kirti D. Shah & Associates, Chartered Accountants, Mumbai,(Membership No. 32371), were appointed as the Statutory Auditors of the Company for a period of 5(five) years at the 8th Annual General Meeting of the Company held on 22nd September, 2014.

As per the resolution passed by the Members in the 8th Annual General Meeting held on 22nd September, 2014, their appointment for the above tenure is subject to ratification by Members at every AGM. However, in view of the enforcement of first proviso and explanation to Section 139 of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 such ratification of the Members are no more required. Accordingly, Members approval is sought for partial modification of the resolution passed by the Members in the 8th Annual General Meeting held on 22nd September, 2014, in the Resolution set out at item No. 3 of the Notice.

16. AUDITORS' REPORT

The Statutory Auditors' Report does not contain any qualification, reservation or adverse remark.

17. DIRECTORS' RESPONSIBILITY STATEMENTS

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

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

18. EXTRACTS OF ANNUAL RETURN

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

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

No material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this Report.

20. ACKNOWLEDGEMENT :

Your Directors would like to express their grateful appreciation for the co-operation and assistance received from the 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 : 15th May, 2018

Annexure-I

FORM NO. MGT – 9
EXTRACT OF ANNUAL RETURN
As on the financial year ended 31.03.2018

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

I. REGISTRATION AND OTHER DETAILS

CIN	U01122MH2007PTC166761
Registration Date	5 th January, 2007
Name of the Company	ARIES AGRO CARE PRIVATE LIMITED
Category / Sub-Category of the Company	COMPANY LIMITED BY SHARES /INDIAN NON-GOVERNMENT COMPANY
Address of the Registered Office and contact details	Aries House, Plot No. 24, Deonar, Govandi(E), Mumbai-400 043 Phone No. 022 2556 4052/53 Fax No. 022 2556 4054/2557 1711
Whether listed Company	NO
Name, address and contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No	Name and Description of main products / Services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Seeds	1209	0.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	%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 01.04.2017				No. of Shares held at the end of the year 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.PROMOTERS									
(1) Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	10000	10000	100	0	10000	10000	100	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	0	10000	10000	100	0	10000	10000	100	0

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2017				No. of Shares held at the end of the year 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	0	10000	10000	100	0	10000	10000	100	0
B. PUBLIC SHAREHOLDING									-
1. Institutions									-
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ` 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual Shareholders holding nominal share capital in excess of `1 lakh	0	0	0	0	0	0	0	0	0
c) Others Directors and Relatives	0	0	0	0	0	0	0	0	0
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	0	0	0	0	0	0	0	0	0
ii) Other Foreign Nationals	0	0	0	0	0	0	0	0	0
iii) Foreign Bodies	0	0	0	0	0	0	0	0	0
iv) NRI / OCBs	0	0	0	0	0	0	0	0	0
v) Clearing Members / Clearing House	0	0	0	0	0	0	0	0	0
vi) Trusts	0	0	0	0	0	0	0	0	0
vii) Limited Liability Partnership	0	0	0	0	0	0	0	0	0
viii) Foreign Portfolio Investor (Corporate)	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2017				No. of Shares held at the end of the year 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ix) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
Sub-Total (B)(2):	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	10000	10000	100.00	0	10000	10000	100.00	-

(ii) Shareholding of Promoters

Shareholder's Name	No. of Shares held at the beginning of the year 01.04.2017			No. of Shares held at the end of the year 31.03.2018			% Change during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Aries Agro Limited	10000	100	0	10000	100	0	0
Total	10000	100	0	10000	100	0	0

(iii) Change in Promoters' Shareholding

There is no change in Promoter's Shareholding between 01.04.2017 to 31.03.2018.

(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 01.04.2017		Shareholding at the end of the year 31.03.2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Aries Agro Limited	10000	100	10000	100
	Total				

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Shareholder's Name	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year		Date of change in shareholding	Reason for change
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		
1	Directors						

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	59,21,049	NIL	59,21,049
1. Principal Amount	NIL	NIL	NIL	NIL
2. Interest Due but not Paid	NIL	NIL	NIL	NIL
3. Interest accrued but not due				
Total(1+2+3)	NIL	59,21,049	NIL	59,21,049
Change in Indebtedness during the Financial Year				
1. Addition	NIL	13,400	NIL	13,400
2. Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	13,400	NIL	13,400
Indebtedness at the end of the Financial Year				
1. Principal Amount	NIL	59,34,449	NIL	59,34,449
2. Interest Due but not Paid	NIL	NIL	NIL	NIL
3. Interest accrued but not due	NIL	NIL	NIL	NIL
Total(1+2+3)	NIL	59,34,449	NIL	59,34,449

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/WTM

The Company does not have any Key Managerial Personnel other than Managing Director/ Executive Director/Whole Time Director hence no Remuneration has been paid

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

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2018

For and on behalf of the Board,

Place: Mumbai

Date: 15th May, 2018

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 Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **ARIES AGRO CARE PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), and the Statement of cash flows and statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued there under.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

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

- (a) in the case of the Balance Sheet, of financial position of the Company as at 31st March, 2018;
- (b) in the case of the Statement of Profit and Loss, of the financial performance including other comprehensive income of the Company for the year ended on that date;
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date; and
- (d) in the case of the statement of changes in equity, of the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from the branches not visited by us];
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement, and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement, and the statement of changes in equity comply with the Accounting Standards specified under Section 133 of the Act, read with relevant Rule issued there under;
 - (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements as referred to in the notes to accounts of these standalone Ind AS 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; and
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended 31st March, 2018.

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

Kirti D. Shah
Proprietor
Membership No. 032371

Place: Mumbai
Date : 15th May, 2018

ANNEXURE-A TO INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2018, we report that:

- i. The Company does not have any Fixed Assets hence clause (i) of the said order is not applicable to the company.
- ii. There were no inventories during the year and hence clause (ii) of the said order is not applicable to the company.
- iii. According to the information and explanation given to us, the Company has not granted any loan, secured and unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, clause (iii) of the said order is not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees, and securities.
- v. According to the information and explanations provided by the company, The Company has not accepted deposits from the public. Hence, the question of compliance with the directives issued by Reserve Bank of India and provision of sections 73, 74, 75 and 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 does not arise. No order has been passed by the National Company Law Tribunal or Company Law Board or RBI in this regard.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any services rendered by the company.
- vii. (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing statutory dues including Provident Fund, Employee State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other material statutory dues except occasional/ minor delays. As per the information given by the management and apparent from the records; The undisputed liabilities as on 31st March 2018 is for a period exceeding six months from the date of it becoming payable is NIL.
(b) There is no disputed liability in respect of tax dues on account of Income Tax, Sales Tax, Service Tax, Customs Duty, Cess, etc.
- viii. The company has not defaulted in repayment of loans or borrowing to a financial institution, banks, or Government. The Company has not obtained any borrowings by way of issue of debentures.
- ix. According to the information and explanation provided to us, the company did not raise any money by way of initial public offering or further public offer (including debt instruments). The company has not taken any term loans during the year under audit.
- x. 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 (xi) of the said order is not applicable to the company.
- xii. In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly, clause (xii) of the said Order is not applicable to the company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of the said Order is not applicable to the company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Kirti D. Shah
Proprietor
Membership No. 032371

Place: Mumbai
Date: 15th May, 2018

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **Aries Agro Care Private Limited** ("the Company") as of 31st March, 2018 in conjunction with our audit of the standalone 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Kirti D. Shah

Proprietor

Membership No. 032371

Place: Mumbai

Date: 15th May, 2018

Balance Sheet as on 31st March, 2018
(Amounts in Rupees unless stated otherwise)

Particulars	Note Nos.	As at 31st March 2018	As at 31st March 2017
I. ASSETS			
(1) Current Assets			
(a) Financial Assets			
(i) Cash & Cash Equivalents	3	15,635	10,963
(ii) Other Bank Balances	4	15,316	15,316
(b) Other Current Assets	5	3,321,085	3,321,085
		3,352,036	3,347,364
TOTAL		3,352,036	3,347,364
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	6	100,000	100,000
(b) Other Equity	7	(2,811,143)	(2,766,465)
		(2,711,143)	(2,666,465)
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Current Borrowings	8	15,814	5,921,049
(ii) Trade Payables	9	128,730	92,780
(b) Other Current Liabilities	10	5,918,635	-
		6,063,179	6,013,829
TOTAL		3,352,036	3,347,364
Summary of Significant Accounting Policies	2.1		

The Notes referred to above form an integral part of these Financial Statements
As per our report of even date
**For and on behalf of the Board of Directors of
Aries Agro Care Private Limited**
For Kirti D. Shah & Associates
Chartered Accountants
Firm Registration No. 115133W

Dr. Jimmy Mirchandani
Director
DIN 00239021

Kirti D. Shah
Proprietor
Membership No 32371

Dr. Rahul Mirchandani
Director
DIN 00239057

Place : Mumbai
Date : 15th May, 2018

Statement of Profit and Loss for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

Particulars	Note Nos.	Year Ended 31st March 2018	Year Ended 31st March 2017
I. Expenses :			
(a) Finance Costs	11	5,328	345
(b) Other Expenses	12	39,350	32,300
Total Expenses		44,678	32,645
II. Profit / (Loss) Before Tax		(44,678)	(32,645)
III. Profit / (Loss) after Tax		(44,678)	(32,645)
IV. Profit / (Loss) for the period		(44,678)	(32,645)
V. Other Comprehensive Income			
(A) Items that will not be reclassified to Profit or Loss		-	-
(B) Items that will be reclassified to Profit or Loss		-	-
VI. Total Comprehensive Income for the period (IV + V)		(44,678)	(32,645)
VII. Earnings per Equity Share	13		
(1) Basic & Diluted		(4.47)	(3.26)
Summary of Significant Accounting Policies	2.1		

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

As per our report of even date

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

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

Dr. Jimmy Mirchandani
Director
DIN 00239021

Kirti D. Shah
Proprietor
Membership No 32371

Dr. Rahul Mirchandani
Director
DIN 00239057

Place : Mumbai

Date : 15th May, 2018

Statement of Cash Flows for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

Sr. No.	Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
A)	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax as per Statement of Profit and Loss	(44,678)	(32,645)
	Adjusted for :		
	Finance Costs	5,328	345
	Operating Profit before Working Capital Changes	(39,350)	(32,300)
	Adjusted for :		
	Increase / (Decrease) in Trade Payables	5,954,585	(101,842)
	Cash Generated from Operations	5,915,235	(134,142)
	Income Taxes (paid) / received (Net)	-	-
	Net Cash Flow from Operating Activities (A)	5,915,235	(134,142)
B)	CASH FLOW FROM INVESTING ACTIVITIES :	-	-
	Net Cash Flow from / (used in) Investing Activities (B)	-	-
C)	CASH FLOW FROM FINANCING ACTIVITIES:		
	Non Current Borrowings (Net)	-	103,700
	Current Borrowings (Net)	(5,905,235)	-
	Finance Costs	(5,328)	(345)
	Net Cash (used in) / from financing activities (C)	(5,910,563)	103,355
	Net Increase in Cash and Cash Equivalents	4,672	(30,787)
	Opening Balance of Cash and Cash Equivalents	10,963	41,750
	Closing Balance of Cash and Cash Equivalents	15,635	10,963

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

Place : Mumbai
Date : 15th May, 2018

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

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

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 year ended 31st March, 2018. However, the company has voluntarily adopted Ind AS as from the year 1st April, 2016 with 1st April, 2015 being the date of transition.

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 31st March, 2018 have been prepared in accordance with the Ind AS as notified above.

For all periods up to and including the year ended 31st March, 2015, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

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 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(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. Standards Issued but not yet effective

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. 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 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 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

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 apportion 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

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

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. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

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 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

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 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

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.

(vi) 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, 2018

(Amounts in Rupees unless stated otherwise)

3 CASH AND CASH EQUIVALENTS	As at 31st March 2018	As at 31st March 2017
Balance with Banks in Current Accounts	15,635	10,963
Total	15,635	10,963

4 OTHER BANK BALANCES	As at 31st March 2018	As at 31st March 2017
Fixed Deposits with Banks held as Margin Money (Maturig less than One Year)	15,316	15,316
	15,316	15,316

5 OTHER CURRENT ASSETS	As at 31st March 2018	As at 31st March 2017
(Un-secured and Considered Good)		
Security Deposits	7,000	7,000
Other Advances	3,314,085	3,314,085
Total	3,321,085	3,321,085

- 5.1 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.

6 EQUITY SHARE CAPITAL	As at 31st March 2018	As at 31st March 2017
Authorised Share Capital		
10,000 Equity Shares of Rs. 10/- each	100,000	100,000
	100,000	100,000
Issued, Subscribed and Fully Paidup		
10,000 (31st March, 2017 10,000) Equity Shares of ₹ 10/- each.	100,000	100,000
	100,000	100,000

- 6.1 Reconciliation of the number of
Equity Shares :

Particulars	As at 31st March 2018	As at 31st March 2017
Equity Shares at the beginning of the year	10,000	10,000
Add :- Issued during the year	-	-
Less :- Shares cancelled during the year	-	-
Equity Shares at the end of the year	10,000	10,000

- 6.2 **List of Shareholder's holding more than 5 % Shares in the Company :**

Name of the Share Holder	No of Shares	As at 31st March, 2018 % of Holding	No of Shares	As at 31st March, 2017 % of Holding
(i) Aries Agro Limited	10,000	100.00%	10,000	100.00%
	10,000	100.00%	10,000	100.00%

Statement of Changes in Equity for the year ended 31st March, 2018

Note No. - 6

(Amounts in Rupees unless stated otherwise)

A	Equity Share Capital	Balance as at 31st March, 2017	Changes in Equity Share Capital during 2017-18	Balance as at 31st March, 2018
		100,000	-	100,000

Note No. - 7

B	Other Equity	Reserves & Surplus			Items of Other Comprehensive Income	Total
		Securities Premium Reserve	General Reserve	Retained Earnings	Re-measurement of net defined benefit plans	
	Balance as at 1st April, 2017	-	-	(2,766,465)	-	(2,766,465)
	Add / (Less): Profit / (Loss) for the year	-	-	(44,678)	-	(44,678)
		-	-	(44,678)	-	(44,678)
	Balance as at 31 March, 2018	-	-	(2,811,143)	-	(2,811,143)

8	CURRENT BORROWINGS	As at 31st March 2018	As at 31st March 2017
	Un-Secured Borrowings		
	From Related Parties	15,814	5,921,049
	Total	15,814	5,921,049

8.1 Un-Secured Borrowings includes amount due to Holding Company i.e. Aries Agro Limited of ₹ ***/-

9	TRADE PAYABLES	As at 31st March 2018	As at 31st March 2017
	Trade Payables	128,730	92,780
	Total	128,730	92,780

9.1 There are no Micro and Small Enterprises to whom Company owes dues, which are outstanding for more than 45 days as at 31st March, 2018. 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.

9.2 All Trade Payables are non-interest bearing and payable or settled within normal operating cycle of the Company.

10	OTHER CURRENT LIABILITIES	As at 31st March 2018	As at 31st March 2017
	Other Payables	5,918,635	-
		5,918,635	-

11	FINANCE COSTS	Year Ended 31 March, 2018	Year Ended 31 March, 2017
	Bank and Finance Charges	5,328	345
	Total	5,328	345

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

12 OTHER EXPENSES	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Other Administration Expenses		
Audit Fees	18,150	17,325
Legal & Professional Fees	17,800	11,275
Rent, Rates & Taxes	3,400	3,700
	39,350	32,300
Total	39,350	32,300

12.1 Other Disclosures

a) Auditors Remuneration

Sr. No.	Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
1	Statutory Auditors		
(i)	Audit Fee	18,150	17,325
(iii)	Taxation Matters	5,900	5,750
		24,050	23,075

13 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 2018	As At 31st March 2017
(i)	Issued Equity Shares	10,000	10,000
	Weighted Average Shares outstanding - Basic and Diluted	10,000	10,000

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 31 March 2018	Year Ended 31 March 2017
(i)	Profit and Loss after Tax attributable to Equity Shareholders	(44,678)	(32,645)
(ii)	Basic Earning per Equity Share	(4.47)	(3.26)
(iii)	Basic Earning per Equity Share	10	10

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

14 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 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, 2018	Year Ended 31st March, 2017
1	Holding Company	Loans taken Loan repaid	- 5,918,635	103,700
2	Group Company	Loans taken	5,918,635	-
3	Key Management Personnel	Loans taken	13,400	-

Part - C

Balance Outstanding with Related Parties				
Category	Nature of outstanding	Name of the Replated Party	As at 31st March, 2018	As at 31st March, 2017
Holding Company	Unsecured Loans	Aries Agro Limited	-	5,918,635
Group Company	Unsecured Loans	Aries Agro Equipments Private Limited	5,918,635	-
Key Management Personnel	Unsecured Loans	Dr. Jimmy Mirchandani	15,814	2,414

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

15. 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. 33,14,085/- advanced to M/s Pradham Biotech limited for supply of seeds. The said supplier failed to supply the goods in time. The Company has filed suit for winding up the Company. The Company in view of such suit is hopeful of recovery of all dues. Hence no provision is made in the accounts in respect of such dues.

16. Contingent Liability

- a) Claims against company not acknowledged as debts Rs. 103.64 Lacs which pertains to pending suits regarding alleged dues. [The Company M/s Pradham Biotech Private Limited has filed counter claim in respect of cancellation of order for seeds – See note no. 14(d)]

17. Foreign Exchange Earnings & Outflow:

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

18. Micro and Small Scale Business Entities

There are no micro and small Enterprises to whom company owes dues, which are outstanding for more than 45 days as at 31st March, 2018. 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.

19. 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).

- 20. 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.
- 21. The Previous year's figures are re-arranged and re-grouped wherever is necessary.

As per our report of even date

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

Kirti D. Shah
Proprietor
Membership No 32371

Place : Mumbai
Date : 15th May, 2018

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 12TH ANNUAL GENERAL MEETING

Notice is hereby given that the Twelfth Annual General Meeting of the Members of **ARIES AGRO EQUIPMENTS PRIVATE LIMITED** will be held on Thursday, 27th September, 2018 at 11.30 a.m. at the Registered office of the Company at Aries House, Plot No. 24, Deonar, Govandi (East), Mumbai-400 043 to transact the following Ordinary Business:-

1. To receive, consider, approve and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2018, 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 in partial modification of the resolution passed at the 8th Annual General Meeting of the Company held on 22nd September, 2014 and pursuant to the enforcement of first proviso and explanation to Section 139 of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 and all other applicable sections read with relevant rules under the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) that M/s. Kirti D. Shah & Associates, Chartered Accountants, Mumbai,(Membership No. 32371), who were appointed as the Statutory Auditors of the Company, to hold office from the conclusion of the Eighth Annual General Meeting shall continue to hold such office till the conclusion of the Thirteenth Annual General Meeting without any ratification from the members at a remuneration inclusive of Goods and Service tax and such other tax(es) (as may be applicable) and reimbursement of all out-of-pocket expenses (including terms of payment) to be fixed by the Board of Directors of the Company.”

**By Order of the Board
For Aries Agro Equipments Private Limited**

**Dr. Rahul Mirchandani
Director
DIN: 00239057**

Place: Mumbai

Date: 15th May, 2018

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 Twelfth Annual Report together with Audited Financial Statements of the Company for the Financial Year ended 31st March, 2018.

1. FINANCIAL RESULTS :

The Company did not have any Income during the year as against the expenses of Rs. 34,758/- . The Company incurred a loss of Rs. 758/- as compared to Loss of Rs. 29,698/- 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 2017-18, there were no Contracts or Arrangements with Related Parties.

8. RISK MANAGEMENT POLICY AND ITS IMPLEMENTATION

Since there is no business activity in the Company and there is no risk which may affect the Company and as the Company is an Un-listed Company no Risk Management Policy has been framed.

9. CORPORATE SOCIAL RESPONSIBILITY

The Company is not covered within provisions of Section 135 of the Companies Act, 2013 and rules framed thereunder.

10. MATERIAL ORDERS PASSED

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

11. INTERNAL FINANCIAL CONTROL

The Company has in place adequate Internal Financial Controls commensurate with the size of the Company with reference to Financial Statements.

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

Since the Company does not have any business activity and there were no Foreign Exchange earning, expenditure or outflow, the Particulars in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, as required to be disclosed by the Companies(Accounts) Rules, 2014, are not applicable.

13. DIRECTORS & KEY MANAGERIAL PERSONNEL:

In accordance with the Companies Act, 2013 and the Articles of Association of the Company, Dr. Rahul Mirchandani(00239057) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Accordingly his re-appointment forms part of the notice of ensuing AGM.

The Company does not have any Managing Directors or Executive/Whole Time Directors or any Employees hence question of any Key Managerial Personnel does not arise.

14. MEETINGS OF BOARD

Four Meetings of the Board of Directors were held during the year on 25.05.2017, 14.09.2017, 26.12.2017 and 12.02.2018.

15. AUDITORS & AUDITORS REPORTS

M/s. Kirti D. Shah & Associates, Chartered Accountants, Mumbai,(Membership No. 32371), were appointed as the Statutory Auditors of the Company for a period of 5(five) years at the 8th Annual General Meeting of the Company held on 22nd September, 2014.

As per the resolution passed by the Members in the 8th Annual General Meeting held on 22nd September, 2014, their appointment for the above tenure is subject to ratification by Members at every AGM. However, in view of the enforcement of first proviso and explanation to Section 139 of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and

Auditors) Rules, 2014 such ratification of the Members are no more required. Accordingly, Members approval is sought for partial modification of the resolution passed by the Members in the 8th Annual General Meeting held on 22nd September, 2014, in the Resolution set out at item No. 3 of the Notice.

The Statutory Auditors' Report does not contain any qualification, reservation or adverse remark.

16. DIRECTORS' RESPONSIBILITY STATEMENTS

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

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

6. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

17. EXTRACTS OF ANNUAL RETURN

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

18. MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL

POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE FINANCIAL YEAR END OF THE COMPANY TO WHICH FINANCIAL RESULTS RELATE

No material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this Report.

19. ACKNOWLEDGEMENT :

Your Directors would like to express their grateful appreciation for the co-operation and assistance received from the 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

Dr. Rahul Mirchandani
Director
DIN: 00239057

Place : Mumbai
Date : 15th May, 2018

FORM NO. MGT – 9
EXTRACT OF ANNUAL RETURN

As on the financial year ended 31.03.2018

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

I. REGISTRATION AND OTHER DETAILS

CIN	U01403MH2007PTC166972
Registration Date	12 th January, 2007
Name of the Company	ARIES AGRO EQUIPMENTS PRIVATE LIMITED
Category / Sub-Category of the Company	COMPANY LIMITED BY SHARES /INDIAN NON-GOVERNMENT COMPANY
Address of the Registered Office and contact details	Aries House, Plot No. 24, Deonar, Govandi(E), Mumbai-400 043 Phone No. 022 2556 4052/53 Fax No. 022 2556 4054/2557 1711
Whether listed Company	NO
Name, address and contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No	Name and Description of main products / Services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Farm Equipments	8424	0.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	%tage of Shares held	Applicable Section
1.	Aries Agro Limited	Aries House, Plot No. 24, Deonar, Govandi(E), Mumbai-400 043	L99999MH1969PLC014465	Holding	100	2(46)

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

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2017				No. of Shares held at the end of the year 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.PROMOTERS									
(1) Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	10000	10000	100	0	10000	10000	100	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	0	10000	10000	100	0	10000	10000	100	0
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2017				No. of Shares held at the end of the year 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A) (2)	0	10000	10000	100	0	10000	10000	100	0
B. PUBLIC SHAREHOLDING									-
1. Institutions									-
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ` 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual Shareholders holding nominal share capital in excess of ` 1 lakh	0	0	0	0	0	0	0	0	0
c) Others	0	0	0	0	0	0	0	0	0
Directors and Relatives									
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	0	0	0	0	0	0	0	0	0
ii) Other Foreign Nationals	0	0	0	0	0	0	0	0	0
iii) Foreign Bodies	0	0	0	0	0	0	0	0	0
iv) NRI / OCBs	0	0	0	0	0	0	0	0	0
v) Clearing Members / Clearing House	0	0	0	0	0	0	0	0	0
vi) Trusts	0	0	0	0	0	0	0	0	0
vii) Limited Liability Partnership	0	0	0	0	0	0	0	0	0
viii) Foreign Portfolio Investor (Corporate)	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2017				No. of Shares held at the end of the year 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ix) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
Sub-Total (B)(2):	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	10000	10000	100.00	0	10000	10000	100.00	

(ii) Shareholding of Promoters

Shareholder's Name	No. of Shares held at the beginning of the year 01.04.2017			No. of Shares held at the end of the year 31.03.2018			% Change during the year
	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
Aries Agro Limited	10000	100	0	10000	100	0	0
Total	10000	100	0	10000	100	0	0

(iii) Change in Promoters' Shareholding

There is no change in Promoter's Shareholding between 01.04.2017 to 31.03.2018.

(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 01.04.2017		Shareholding at the end of the year 31.03.2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Aries Agro Limited	10000	100	10000	100
	Total				

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Shareholder's Name	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year		Date of change in shareholding	Reason for change
	Directors	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		
1	NIL						

V. INDEBTEDNESS

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

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year	NIL	37,59,225	NIL	37,59,225
1. Principal Amount	NIL	NIL	NIL	NIL
2. Interest Due but not Paid	NIL	NIL	NIL	NIL
3. Interest accrued but not due				
Total(1+2+3)	NIL	37,59,225	NIL	37,59,225
Change in Indebtedness during the Financial Year				
1. Addition	NIL	NIL	NIL	NIL
2. Reduction	NIL	37,23,411	NIL	37,23,411
Net Change	NIL	37,23,411	NIL	37,23,411
Indebtedness at the end of the Financial Year				
1. Principal Amount	NIL	35,814	NIL	35,814
2. Interest Due but not Paid	NIL	NIL	NIL	NIL
3. Interest accrued but not due	NIL	NIL	NIL	NIL
Total(1+2+3)	NIL	35,814	NIL	35,814

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 31st March, 2018

For and on behalf of the Board
For **Aries Agro Equipments Pvt. Ltd.**

Dr. Jimmy Mirchandani
Director
DIN: 00239021

Dr. Rahul Mirchandani
Director
DIN: 00239057

Place : Mumbai

Date: 15th May, 2018

INDEPENDENT AUDITORS' REPORT OF ARIES AGRO EQUIPMENTS PVT. LTD.

TO THE MEMBERS OF

ARIES AGRO EQUIPMENTS PRIVATE LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **ARIES AGRO EQUIPMENTS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), and the Statement of cash flows and statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued there under.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

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

- (a) in the case of the Balance Sheet, of financial position of the Company as at 31st March, 2018;
- (b) in the case of the Statement of Profit and Loss, of the financial performance including other comprehensive income of the Company for the year ended on that date;
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date; and
- (d) in the case of the statement of changes in equity, of the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from the branches not visited by us];
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement, and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement, and the statement of changes in equity comply with the Accounting Standards specified under Section 133 of the Act, read with relevant Rule issued there under;
 - (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements as referred to in the notes to accounts of these standalone Ind AS 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; and
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended 31st March, 2018.

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

Date : 15th May, 2018
Place: Mumbai

Kirti D. Shah
Proprietor
Membership No. 032371

ANNEXURE “A” to the Independent Auditor’s Report

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

The Annexure referred to in our Independent Auditors’ Report to the members of the Company on the financial statements for the year ended 31st March, 2018, we report that:

- i. The Company does not have any Fixed Assets hence clause (i) of the said order is not applicable to the company.
- ii. There were no inventories during the year and hence clause (ii) of the said order is not applicable to the company.
- iii. According to the information and explanation given to us, the Company has not granted any loan, secured and unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013, Accordingly, clause (iii) of the said order is not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees, and securities.
- v. According to the information and explanations provided by the company, The Company has not accepted deposits from the public. Hence, the question of compliance with the directives issued by Reserve Bank of India and provision of sections 73, 74, 75 and 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 does not arise. No order has been passed by the National Company Law Tribunal or Company Law Board or RBI in this regard.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any services rendered by the company.
- vii. (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing statutory dues including Provident Fund, Employee State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other material statutory dues except occasional/ minor delays. As per the information given by the management and apparent from the records; The undisputed liabilities as on 31st March 2018 is for a period exceeding six months from the date of it becoming payable is NIL.
- (b) There is no disputed liability in respect of tax dues on account of Income Tax, Sales Tax, Service Tax, Customs Duty, Cess, etc.
- viii. The company has not defaulted in repayment of loans or borrowing to a financial institution, banks, or Government. The Company has not obtained any borrowings by way of issue of debentures.
- ix. According to the information and explanation provided to us, the company did not raise any money by way of initial public offering or further public offer (including debt instruments). The company has not taken any term loans during the year under audit.
- x. 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 (xi) of the said order is not applicable to the company.
- xii. In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly, clause (xii) of the said Order is not applicable to the company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of the said Order is not applicable to the company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Kirti D. Shah
Proprietor

Place: Mumbai
Date: 15th May, 2018

Membership No. 032371

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 Equipments Private Limited** (“the Company”) as of 31st March, 2018 in conjunction with our audit of the standalone 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 (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

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

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

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Kirti D. Shah & Associates

Chartered Accountants
Firm Registration No. 115133W

Kirti D Shah

Proprietor
Membership No. 032371

Date: 15th May, 2018
Place: Mumbai

Balance Sheet as on 31st March, 2018

(Amounts in Rupees unless stated otherwise)

Particulars	Note Nos.	As at 31st March, 2018	As at 31st March, 2017
I. ASSETS			
(1) Current Assets			
(a) Financial Assets			
(i) Trade Receivables	3	-	11,806,960
(ii) Cash & Cash Equivalents	4	2,161,512	4,957
(b) Other Current Assets	5	6,012,140	93,505
		8,173,652	11,905,422
TOTAL		8,173,652	11,905,422
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	6	100,000	100,000
(b) Other Equity	7	7,683,215	7,683,973
		7,783,215	7,783,973
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Current Borrowings	8	15,814	3,739,225
(ii) Trade Payables	9	354,624	362,224
(b) Other Current Liabilities	10	20,000	20,000
		390,437	4,121,449
TOTAL		8,173,652	11,905,422
Summary of Significant Accounting Policies	2.1		

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

As per our report of even date

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

Kirti D. Shah
Proprietor
Membership No 32371

Place: Mumbai
Date : 15th May, 2018

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, 2018

(Amounts in Rupees unless stated otherwise)

Particulars	Note Nos.	Year Ended 31st March, 2018	Year Ended 31st March, 2017
I. Other Income	11	34,000	-
		34,000	
II. Expenses :			
(a) Finance Costs	12	4,958	345
(b) Other Expenses	13	29,800	29,353
Total Expenses		34,758	29,698
III. Profit / (Loss) Before Tax		(758)	(29,698)
IV. Profit / (Loss) after Tax		(758)	(29,698)
V. Profit / (Loss) for the period		(758)	(29,698)
VI. Other Comprehensive Income			
(A) Items that will not be reclassified to Profit or Loss		-	-
(B) Items that will be reclassified to Profit or Loss		-	-
		-	-
VII. Total Comprehensive Income for the period (IV+V)		(758)	(29,698)
VIII. Earnings per Equity Share	14		
(1) Basic & Diluted		(0.08)	(2.97)
Summary of Significant Accounting Policies	2.1		

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

As per our report of even date

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

Kirti D. Shah
Proprietor
Membership No 32371

Place : Mumbai

Date : 15th May, 2018

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 Cash Flows for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

Sr. No.	Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
A)	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax as per Statement of Profit and Loss	(758)	(29,698)
	Adjusted for :		
	Finance Costs	4,958	345
	Operating Profit before Working Capital Changes	4,200	(29,353)
	Adjusted for :		
	(Increase) / Decrease in Trade Receivables	11,806,960	-
	Increase / (Decrease) in Trade Payables	(7,600)	(193,907)
	Cash Generated from Operations	11,803,560	(223,260)
	Income Taxes (paid) / received (Net)	-	-
	Net Cash Flow from Operating Activities (A)	11,803,560	(223,260)
B)	CASH FLOW FROM INVESTING ACTIVITIES :		
	Movement in Short Term Loans and Advances & Other Assets	(5,918,635)	-
	Net Cash Flow from / (used in) Investing Activities (B)	(5,918,635)	-
C)	CASH FLOW FROM FINANCING ACTIVITIES:		
	Long Term Borrowings (Net)	(3,723,412)	-
	Current Borrowings (Net)	-	184,053
	Finance Costs	(4,958)	(345)
	Net Cash (used in) / from financing activities (C)	(3,728,370)	183,708
	Net Increase in Cash and Cash Equivalents	2,156,555	(39,552)
	Opening Balance of Cash and Cash Equivalents	4,957	44,509
	Closing Balance of Cash and Cash Equivalents	2,161,512	4,957

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
 Firm Registration No. 115133W
 Chartered Accountants

Kirti D Shah
 Proprietor
 Membership No 32371

Place : Mumbai
Date : 15th May, 2018

**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

NOTES to the Financial Statements for the year ended 31st March, 2018

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

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 year ended 31st March, 2018. However, the company has voluntarily adopted Ind AS as from the year 1st April, 2016 with 1st April, 2015 being the date of transition.

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 31st March, 2018 have been prepared in accordance with the Ind AS as notified above.

For all periods up to and including the year ended 31st March, 2015, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

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.

NOTES to the Financial Statements for the year ended 31st March, 2018

(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:**

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. **Standards Issued but not yet effective**

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. **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 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 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.

NOTES to the Financial Statements for the year ended 31st March, 2018

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 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 aproportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

NOTES to the Financial Statements for the year ended 31st March, 2018

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

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 thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the statement of profit and loss. Income earned during construction period is deducted from the total of the indirect expenditure. All direct capital expenditure on expansion is 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. The Company has no obligation other than the contribution payable to provident fund authorities.

NOTES to the Financial Statements for the year ended 31st March, 2018

(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 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.

NOTES to the Financial Statements for the year ended 31st March, 2018

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 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.

NOTES to the Financial Statements for the year ended 31st March, 2018

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 31st March, 2018

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.

(vi) 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, 2018

(Amounts in Rupees unless stated otherwise)

3	TRADE RECEIVABLES	As at 31st March, 2018	As at 31st March, 2017
	Un-secured		
	Considered Good	-	11,806,960
	Total	-	11,806,960

3.1 Trade Receivables includes Amount due from Related Parties

Particulars	As at 31st March, 2018	As at 31st March, 2017
1 Aries Agro Limited	-	11,806,960
	-	11,806,960

3.2 Trade Receivables are non-interest bearing and receivable in normal operating cycle

4	CASH AND CASH EQUIVALENTS	As at 31st March, 2018	As at 31st March, 2017
	Balance with Banks in Current Accounts	2,161,512	4,957
	Total	2,161,512	4,957

5	OTHER CURRENT ASSETS	As at 31st March, 2018	As at 31st March, 2017
	(Un-secured and Considered Good)		
	Advances to Related Parties	5,918,635	-
	Other Advances	5,505	5,505
	Security Deposits	88,000	88,000
	Total	6,012,140	93,505

6	EQUITY SHARE CAPITAL	As at 31st March, 2018	As at 31st March, 2017
	Authorised Share Capital		
	10,000 Equity Shares of Rs. 10/- each	100,000	100,000
		100,000	100,000
	Issued, Subscribed and Fully Paidup		
	10,000 (31st March, 2016 10,000, 1st April, 2015 10,000) Equity Shares of ₹10/- each.	100,000	100,000
		100,000	100,000

NOTES to the Financial Statements for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

6.1 Reconciliation of the number of Equity Shares :

Particulars	As at 31st March 2018	As at 31st March 2017
Equity Shares at the beginning of the year	10,000	10,000
Add : - Issued during the year	-	-
Less :- Shares cancelled during the year	-	-
Equity Shares at the end of the year	10,000	10,000

6.2 List of Shareholder's holding more than 5 % Shares in the Company :

Name of the Share Holder	No of Shares	As at 31st March, 2018 % of Holding	No of Shares	As at 31st March, 2017 % of Holding
(i) Aries Agro Limited	10,000	100.00%	10,000	100.00%
	10,000	100.00%	10,000	100.00%

Statement of Changes in Equity for the year ended 31st March, 2018

Note No. - 6

(Amounts in Rupees unless stated otherwise)

A	Equity Share Capital	Balance as at 31st March, 2017	Changes in Equity Share Capital during 2017-18	Balance as at 31st March, 2018
		100,000	-	100,000

Note No. - 7

B	Other Equity	Reserves & Surplus			Items of Other Comprehensive Income	Total
		Securities Premium Reserve	General Reserve	Retained Earnings	Re-measurement of net defined benefit plans	
	Balance as at 31 March, 2017	-	-	7,683,973	-	7,683,973
	Add/(Less): Profit / (Loss) for the year	-	-	(758)	-	(758)
		-	-	(758)	-	(758)
	Balance as at 31 March, 2018	-	-	7,683,215	-	7,683,215

8 CURRENT BORROWINGS

Un-Secured Borrowings

From Related Parties

Total

As at 31st March, 2018	As at 31st March, 2017
15,814	3,739,225
15,814	3,739,225

8.1 Un-Secured Borrowings includes amount due to Dr. Jimmy Mirchandani

9 TRADE PAYABLES

Due to Others

Total

As at 31st March, 2018	As at 31st March, 2017
354,624	362,224
354,624	362,224

Notes to the Financial Statements for the year ended 31st March, 2018

(Amounts in Rupees unless stated otherwise)

9.1 There are no Micro and Small Enterprises to whom Company owes dues, which are outstanding for more than 45 days as at 31st March, 2018. 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.

9.2 All Trade Payables are non-interest bearing and payable or setteled within normal operating cycle of the Company.

10 OTHER CURRENT LIABILITIES	As at 31st March, 2018	As at 31st March, 2017
Security Deposits	20,000	20,000
Total	20,000	20,000

11 OTHER INCOME	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Other Interest	34,000	-
Total	34,000	-

12 FINANCE COSTS	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Bank and Finance Charges	4,958	345
Total	4,958	345

13 OTHER EXPENSES	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Other Administration Expenses		
Audit Fees	18,150	17,325
Legal & Professional Fees	8,250	7,975
Rent, Rates & Taxes	3,400	4,053
Total	29,800	29,353

13.1 Other Disclosures

a) Autitors Remuneration

Sr. No.	Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
1	Statutory Auditors		
(i)	Audit Fee	18,150	17,325
(iii)	Taxation Matters	5,900	5,750
		24,050	23,075

NOTES to the Financial Statements for the year ended 31st March, 2018

14 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 2018	As At 31st March 2017
(i)	Issued Equity Shares	10,000	10,000
	Weighted Average Shares outstanding - Basic and Diluted	10,000	10,000

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, 2018	Year Ended 31st March, 2017
(i)	Profit and Loss after Tax attributable to Equity Shareholders	(758)	(29,698)
(ii)	Basic Earning per Equity Share	(0.08)	(2.97)
(iii)	Face Value per Equity Share	10	10

15 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 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	Name of the Key Management Personnel a) Dr. Jimmy Mirchandani b) Dr. Rahul Mirchandani	Name of the Relative a) Mr. Akshay Mirchandani b) Mr. Amol Mirchandani c) Dr. Rahul Mirchandani a) Mrs. Nitya Mirchandani b) Master Armaan Mirchandani c) Dr. Jimmy Mirchandani	Relationship Son Son Brother 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		

Aries Agro Equipments Private Limited

Part - B				
Details of Transactions with Related Parties				
Sr. No.	Category	Nature of Service	Year Ended 31st March, 2018	Year Ended 31st March, 2017
1	Holding Company	Loan taken Loan repaid Trade receivables realised	- 3,736,812 11,806,960	184,053
2	Group Company	Loan Given	5,918,635	-
3	Key Management Personnel	Loan taken	13,400	-

Part - C				
Balance Outstanding with Related Parties				
Category	Nature of Outstanding	Name of the Related Party	As at 31st March, 2018	As at 31st March, 2017
Holding Company	Unsecured Loans	Aries Agro Limited	-	3,736,812
	Trade Receivables	Aries Agro Limited	-	11,806,960
Group Company	Unsecured Loans	Areis Agro Care Private Limited	5,918,635	-
Key Management Personnel	Unsecured Loans	Dr. Jimmy Mirchandani	15,814	2,413

16. Current Assets, Loan & Advances and Provisions

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

17. Foreign Exchange Earnings & Outflow:

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

18. Micro And Small Scale Business Entities

There are no micro and small Enterprises to whom company owes dues, which are outstanding for more than 45 days as at 31st March, 2018. 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.

19. 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).

- In absence of virtual certainty that sufficient future taxable income will be available for setoff of losses incurred by the Company, the Company has not taken credit for Deferred Tax Assets.
- The Previous years figures are re-arranged or 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. 032371

Place: Mumbai
Date: 15th May, 2018.

For and on behalf of the Board

Dr. Jimmy Mirchandani
Director
DIN 00239021

Dr. Rahul Mirchandani
Director
DIN 00239057



48th ANNUAL GENERAL MEETING

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

ATTENDANCE SLIP

Please complete this attendance slip and hand over at the entrance of the Meeting Hall

L.F. No(s) / DP ID & Client ID _____

NAME OF THE SHAREHOLDER _____

PROXY _____

No. of Shares held : _____

I / We hereby record our presence at the **Forty Eighth Annual General Meeting** held on **Friday, the 28th September, 2018** at 10.00 a.m. at The Chembur Gymkhana, 16th Road, Chembur, Mumbai – 400 071

SIGNATURE OF THE SHAREHOLDER / PROXY* _____

*Strike out whichever is not applicable



48th ANNUAL GENERAL MEETING

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

PROXY FORM

I / We _____

of _____ being the Member / Members of ARIES AGRO LIMITED, MUMBAI, hereby appoint

Mr. _____

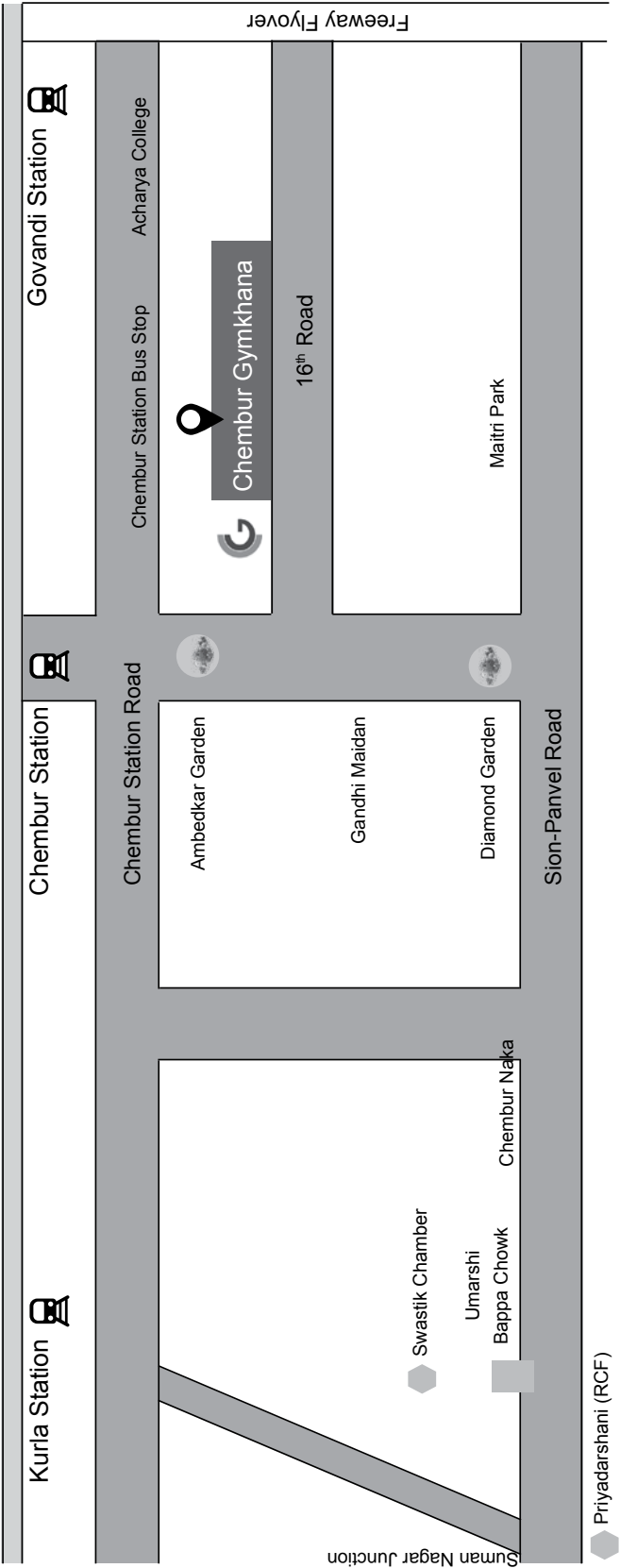
of _____ or failing him Mr. _____

of _____ as my / our proxy to vote for me / us on my / our behalf, at the **Forty Eighth Annual General Meeting** of the Company to be held on **Friday, the 28th September, 2018** and at any adjournment thereof.

Affix
Re.1/-
Revenue
Stamp

Signed this _____ day of _____, 2018

Route Map of the AGM Venue





Booking bazaar was conducted for the Northern region in September 2017 followed by road shows in Pune, Patna, Ranchi, Indore, and Ahmedabad.



In the month of October technical training and market development activities took place in Vietnam and Nepal. These were extremely well received by these export markets.



14th August 2017 Analyst Meet at Mumbai.



Distribution of Hydroponics produced Exotic Vegetables Under CSR Activities in Our Lady Perpetual Succour School, Mumbai.

aries CSR Activities



Aries Other Major Events

◀ J & K, Uttar Pradesh & Bihar team along with dealers at Amritsar Dealers Meet.



All India Directors and Circle Dealers Meeting & Booking Bazaar at Delhi.



69th Republic Day Celebration at Aries Agro Ltd Mumbai.



Roundtable Discussion with U.S. Department of Agriculture (USDA) at U.S. Consulate General, Mumbai.

Aries International Engagement



First ever visit of a school to the Indian School of Business, Hyderabad facilitated by Aries CSR Team.



Aries Agro Ltd staff visits Sabarmati Ashram, Ahmedabad.



Coastal Aquaculture Authority Planning Meeting in Chennai with the ARIES Team.



Aries Agro Ltd. Independent Directors visit to the Chhatral Factory.



On 8th March, 2018 Aries conducted a session on "Impact Assessment of CSR Interventions" with MBA students from Georgetown University's McDonough School of Business, USA.

• B O O K P O S T •