



41st
ANNUAL REPORT
2010 - 2011

 **aries** agro limited

ARIES AGRO FARMERS MEET US PRESIDENT OBAMA AT THE AGRI EXPO IN MUMBAI

The Company presented a unique innovation showcase at the Agri Expo held in Mumbai. The Expo and the Aries Stall were visited by US President, Mr. Barack Obama. He spent time interacting with Company's top management and farmers who have benefitted from unique innovations in the agriculture sector. The farmers selected were Mr. Y. Yugandhar from Krishna District, Andhra Pradesh, Mr. T. Murali Mohan Reddy from Prakasam District, Andhra Pradesh and Mr. Nirmal Yadav from Bharuch District, Gujarat and had an opportunity to interact with the US President and explain how these innovations have touched their lives and helped in improving their crop productivity and farm incomes.



TRAILBLAZERS BRAND INNOVATOR AWARD 2010

Aries Agro Limited has been awarded the “Trailblazers Brand Innovator Award 2010” in the category of Agricultural Inputs. The Trailblazers Brand Innovator Awards are unique awards that recognize “*innovation and differentiation*” amongst SMEs in India.



CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Members,

It is with great pleasure that I present to you the 41st Annual Report of your Company, Aries Agro Limited.

2010-11, the year under review in this Report, was extremely uncertain for the agri-business sector. Delayed, excessive and staggered rains had significantly caused shifts in the agricultural season and impacted our growth especially in the second half of the year. In addition, there was additional pressure on inputs costs as a result of spiraling raw material and processing costs as well as inflationary trends in fuel and interest rates. Despite this turbulent environment, efforts of the entire Aries team have enabled your Company to record satisfactory revenue growth of 13% over the previous financial year. The year also saw us taking constructive steps to manage costs at all fronts and minimize the impact of inflationary trends on our product pricing. Our Year-on-Year profitability growth as a result of these measures stands at 18 %.

The year under review saw 3 extremely significant platforms recognizing your Company's innovative products and practices.

We were **one amongst 10 Agri business companies selected by the United States Government to showcase agricultural innovation and its impact at the Indo US Agri Expo held in Mumbai on 7th November, 2010.** We were also privileged to showcase our products and our Krishi Vigyan Vahans (KVV's). 3 of our best farmers personally met the US President, Mr. Barack Obama during his visit to Mumbai. Mr. Barack Obama and the US Agricultural Department and team of experts spent a good amount of time interacting with Aries and our customers. We were also part of the US India Round Table Conference where we contributed by sharing our product innovations especially chelated micronutrients, with the USAID

We were also recognized by the **"Trailblazers Brand Innovator Award 2010"** as the **Best Brand in the Agricultural Inputs category by Milagrow.** The Trailblazers Brand Innovator Awards are unique awards that recognize **"innovation and differentiation"** amongst SMEs in India. Our citation for the award specifically recognized the fact that we have accomplished building 76 brands over the past 4 decades with the next to no-expenditure on mass media advertising. The award recognizes our untiring efforts at the field level using knowledge sharing and farmers training as the primary platform in creating demand.

The third recognition came to us during the year when the **Crown Prince of Fujairah, His Highness Sheikh Mohammed Bin**

Hamad Al Sharqi agreed to personally inaugurate our second production belt at M/s.Amarak Chemicals FZC's factory in Fujairah. We were also proud to have with us the **Counsel General of India to the UAE, Mr. Sanjay Verma, personally present during the inauguration** event. The presence of the ruler of Fujairah, his entire team and the presence of the Government of India showed the belief that these institutions value our contribution to the economy of the region and potential of our investment overseas.

2010-11 saw the launch of 6 numbers of products including 4 Plant Protection Chemicals and 2 Specialty Plant Nutrients. Our products are currently being sold in 1,90,000+ villages across 22 Indian states and also in Australia, Pakistan, Oman, Nepal and Bangladesh. We have also scaled up our global sourcing to include 7 countries ensuring that our customers have the best in class products at their door step.

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

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

The outlook for the year 2011-12 seems positive. This will certainly have a beneficial impact on your company's growth and profitability. The Company has also added additional 10 products during the year 2011-12 including 1 Soil Conditioner, 4 Specialty Plant Nutrients, 2 Plant Protection Chemicals, 1 Plant Hormone and 2 products specifically for Apple and Stone Fruits.

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

Sincerely,

Dr Jimmy Mirchandani
Chairman & Managing Director

Balance Sheet as at March 31, 2011
Profit & Loss Account for the year ended March 31, 2011 with Director's Report
**41st Annual Report
2010 - 2011**
Board of Directors
Dr. Jimmy Mirchandani

Chairman & Managing Director

Dr. Rahul Mirchandani

Executive Director

Dr. D. S. Jadhav

Director

Prof. R. S. S. Mani

Director

Mr. Akshay Mirchandani

Director

Mr. C. B. Chhaya

Director

Chief Financial Officer
Mr. S. Ramamurthy

Chief Financial Officer

Company Secretary
Mr. Qaiser P. Ansari

Company Secretary & Compliance Officer

Auditors:

Kirti D. Shah and Associates
501, Nestor Court,
Behind Vinayak Society
Old Police Lane, Off S.V. Road,
Vile Parle (W), Mumbai - 400 056

Internal Auditors:

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

Bankers:
ICICI Bank Ltd.

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

HDFC Bank Limited

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

Canara Bank

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

YES Bank Limited

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

AXIS Bank Ltd.

Credit Management Centre,
Axis House, Bombay Dyeing Mills Compound,
P. B. Marg, Worli, Mumbai 400 025.

Branch Network
Ahmedabad, Gujarat

Bangalore, Karnataka

Bellary, Karnataka

Bhubaneshwar, Orissa

Coimbatore, Tamil Nadu

Ghaziabad, Uttar Pradesh

Guwahati, Assam

Hissar, Haryana

Hyderabad, Andhra Pradesh

Indore, Madhya Pradesh

Jaipur, Rajasthan

Jalandhar, Punjab

Jodhpur, Rajasthan

Kolkata, West Bengal

Lucknow, Uttar Pradesh

Nagpur, Maharashtra

Nashik, Maharashtra

Nipani, Karnataka

Patna, Bihar

Raipur, Chhatisgarh

Ranchi, Jharkhand,

Rudrapur, Uttaranchal

Solapur, Maharashtra

Sriganganagar, Rajasthan

Manufacturing Locations

Mumbai

Bangalore

Hyderabad

Kolkata

Sanand

Lucknow

Sharjah, UAE(Subsidiary Company)

Fujairah, UAE(Subsidiary Company)

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

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Forty First Annual General Meeting of the Members of **ARIES AGRO LIMITED** will be held on Thursday, the 29th September, 2011 at 10.00 a.m. at The Chembur Gymkhana, 16th Road, Chembur, Mumbai-400 071, to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March, 2011 and Profit and Loss Account for the year ended as on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To approve the Interim Dividend for the year 2010-11 paid in January/February, 2011 and declare Final Dividend for the Financial Year ended 31.03.2011.
3. To appoint a Director in place of Mr. Akshay Mirchandani who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. C. B. Chhaya who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint M/s. Kirti D. Shah & Associates, Chartered Accountants, Mumbai, (Membership No. 32371) as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration upon the recommendation of the Audit Committee.

SPECIAL BUSINESS

6. **Approval of Appointment and Payment of Remuneration to Mr. Akshay Mirchandani by the Step Down Subsidiary M/S Amarak Chemicals FZC**

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

“RESOLVED THAT pursuant to the provisions of Section 314(1) and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and subject to the approval of any statutory authority, if any, the Company hereby accords its approval and consent to the appointment of Mr. Akshay Mirchandani (son of Dr. Jimmy Mirchandani, Chairman and Managing Director) as Chief Executive Officer (CEO) (or any other Designation which the Board of Directors of M/S Amarak Chemicals FZC may decide from time to time) of M/S Amarak Chemicals FZC with effect from the 30th December, 2010 and the Remuneration, Benefits and Amenities aggregating to UAE Dhms 20,000/- p.m. with an annual increment not exceeding 50 % of the last salary drawn by Mr. Akshay Mirchandani (as may be decided by the Board of Directors of M/S Amarak Chemicals FZC) and upon the terms and conditions and stipulations contained in the Explanatory Statement and Appointment Letter issued by M/S Amarak Chemicals FZC, a copy whereof is placed before the Meeting.”

7. **Approval of Appointment and Payment of Remuneration to Mr. Akshay Mirchandani by the Subsidiary M/S Golden Harvest Middle East FZC w.e.f. 01/04/2011**

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

“RESOLVED THAT pursuant to the provisions of Section 314(1) and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and subject to the approval of any statutory authority, if any, the Company hereby accords its approval and consent to the appointment of Mr. Akshay Mirchandani (son of Dr. Jimmy Mirchandani, Chairman and Managing Director) as Chief Executive Officer (CEO) (or any other Designation which the Board of Directors of M/S Golden Harvest Middle East FZC may decide from time to time) of M/S Golden Harvest Middle East FZC with effect from the 1st April, 2011 and the Remuneration, Benefits and Amenities aggregating to UAE Dhms 20,000/- p.m. with an annual increment not exceeding 50 % of the last salary drawn by Mr. Akshay Mirchandani (as may be decided by the Board of Directors of M/S Golden Harvest Middle East FZC), and upon the terms and conditions and stipulations as contained in the Explanatory Statement and the Appointment Letter issued by M/S Golden Harvest Middle East FZC, a copy whereof is placed before the Meeting.”

8. **Approval of the Appointment and Remuneration of Mr. Amol Mirchandani**

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

“RESOLVED THAT pursuant to the provisions of Section 314(1B) and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and subject to the approval of any Statutory Authorities as may be required, Mr. Amol Mirchandani son of Dr. Jimmy Mirchandani, Chairman and Managing Director of the Company and brother of Mr. Akshay Mirchandani, Director, be and is hereby appointed as Officer-Marketing of the Company with effect from 7th April, 2011 upon the terms and conditions and stipulations contained in the Explanatory Statement and Appointment Letter issued by the Company, a copy whereof is placed before the Meeting and, for the purposes of identification, is initialed by the Chairman of the Remuneration (Selection Committee).”

“RESOLVED THAT Mr Amol Mirchandani shall be in the exclusive employment of the Company and will not hold a place of profit in any other Company during the period of his tenure of employment with the Company.”

“RESOLVED FURTHER THAT, the Board of Directors be and is hereby authorized to alter and vary any or all of the terms and conditions as approved vide this resolution as may be deemed fit from time to time and for the purpose of giving effect to this resolution and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient or proper in the best interest of the Company.”

By Order of the Board

Place: Mumbai
Date: 10th August, 2011

Kaiser P. Ansari
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE LODGED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING. BLANK PROXY FORM IS ENCLOSED.
3. Corporate Members intending to send their Authorised Representatives to attend the Meeting are requested to send to the Company a Certified Copy of the Board Resolution authorizing their Representative to attend and Vote on their behalf at the Meeting.
4. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business is annexed hereto.
5. All the documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on all days, except Saturdays, Sundays and holidays until the date of the Annual General Meeting or any adjournment thereof.
6. Members desirous of getting any information about the accounts and operations of the Company are requested to write their queries to the Company at least seven days in advance of the meeting so that the information required can be made readily available at the meeting.
7. Individual shareholders can now take the facility of nomination. The nominee shall be the person in whom all rights of transfer and/or amount payable in respect of shares shall vest in the event of the death of the shareholder(s). A minor can be a nominee provided the name of the guardian is given in the Nomination Form. Members who are interested in availing the nomination facility are requested to write to the Company.
8. The Register of Members and Share Transfer Books of the Company will be closed from Saturday, the 24th September, 2011 to Thursday, the 29th September, 2011 (both days inclusive) for determining the names of members eligible for Final Dividend on Equity Shares, if declared at the Meeting as recommended by the Board of Directors. On such declaration of Final Dividend at the forthcoming Annual General Meeting, such Dividend will be paid on 24th October, 2011 to those members whose names appear on the Register of Members on 29th September, 2011 after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 21st August, 2011. In respect of shares held through the depositories, Final Dividend will be paid on the aforesaid date to the beneficial owners of shares whose names appear at the close of business hours on 23rd September, 2011 as per details furnished by the depositories for this purpose.
9. Members are requested to avail the facility of remittance of Dividend through the National Electronic Clearing Systems (NECS). The NECS facility is available at locations identified by the Reserve Bank of India from time to time. Members holding shares in physical form and desirous of availing this facility are requested to immediately write to the Company's Registrars and Transfer Agents with changes in their bank account/ account numbers, if any, along with a photocopy of a blank cheque pertaining to the concerned account.
10. Beneficial Owners holding shares in Electronic/ Demat form are requested to notify any change in their Address, Bank Account, Mandate, etc. to their respective Depository Participant. ECS Mandates has to be sent to the concerned Depository Participant directly.
11. Members holding shares in physical form are requested to notify any change in their Address, Bank Accounts etc. to the Registrar and Transfer Agent of the Company.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number(PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrars and Transfer Agents, M/s Aarthi Consultants Private Limited.
13. 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.
14. **Members are requested to bring their copy of the Annual Report to the Annual General Meeting.**
15. Non-Resident Indian Members are requested to inform Aarthi Consultants Private Limited, immediately of:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their Bank Account maintained in India with complete Name, Branch, Account Type, Account Number and address of the Bank with Pin Code Number, if not furnished earlier.
16. All the shareholders are requested to register their email IDs with the Company or with the Registrar and Share Transfer Agents and thereby implement the "Green Initiative" as per the Circular No. 17/2011 dated April 21, 2011 and No. 18/ 2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of Notices/ Documents and Annual Reports to shareholders. Members holding shares in electronic mode or in physical mode are requested to update their email addresses by writing to the Company directly to the Company Secretary, Aries Agro Limited, Aries House, Plot No. 24, Deonar, Govandi(E), Mumbai-400 043 or to the Registrar and Transfer Agents at their address mentioned below.

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

Particulars required	Information
Name of the Director	Mr. Akshay Mirchandani
Date of Birth	12 th May, 1984
Date of Appointment	5 th March, 2009
Expertise in specific functional areas	Non Executive Director
Qualifications	B.Com., MBA.
Chairman/Member of the Committees of the Board of Directors of the Company.	NIL
Directorship in other Companies	Golden Harvest Middle East FZC Amarak Chemicals FZC, UAE
Membership of Audit Committee of other Public Limited Companies	NIL
Membership of any other Committee of other Public Limited Companies.	NIL

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

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

AARTHI CONSULTANTS PRIVATE LIMITED

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

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

E-mail: aries@arthiconsultants.com Website: www.arthiconsultants.com

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

Item No. 6 & 7

Mr. Akshay Mirchandani was appointed as the Chief Executive Officer(CEO) of M/S Amarak Chemicals FZC, a Step Down Subsidiary of the Company on 30th December, 2010. Subsequently Mr. Akshay Mirchandani was also appointed as the Chief Executive Officer(CEO) of M/S Golden Harvest Middle East FZC, a Subsidiary of the Company on 1st April, 2011.

Mr. Akshay Mirchandani, Chief Executive Officer(CEO) will be holding the place of profit and thereby rendering the services to M/S Golden Harvest Middle East FZC and M/S Amarak Chemicals FZC, in addition to his Directorial services in the area of marketing, production and administration.

The Board of Directors in its Meeting held on 28th January, 2011 approved his Appointment and Remuneration, Benefits and Amenities aggregating to UAE Dhms 20,000/- p.m. w.e.f. 30/12/2010 being paid to him upon the terms and conditions and stipulations contained in the Appointment Letter issued by M/S Amarak Chemicals FZC, and also gave its consent to his appointment as Chief Executive Officer(CEO) of M/S Golden Harvest Middle East FZC w.e.f. 01/04/2011 and payment of Remuneration, Benefits and Amenities aggregating to UAE Dhms 20,000/- p.m., w.e.f. 01/04/2011, upon the terms and conditions and stipulations as contained in the draft Appointment Letter to be issued by M/S Golden Harvest Middle East FZC, subject to the approval of the Members in the Annual General Meeting.

The said Special Resolutions set out in Item Nos. 6 & 7 of the Notice are placed before the Members with the due recommendations to the Members:

1. To approve the same for payment of Remuneration, Benefits and Amenities aggregating to UAE Dhms 20,000/- p.m. with an annual increment not exceeding 50 % of the last drawn salary to Mr Akshay Mirchandani, w.e.f. 30/12/2010, upon the terms and conditions and stipulations contained in the Appointment Letter issued by M/S Amarak Chemicals FZC, a copy whereof is placed before the Meeting.
2. To approve the same for payment of Remuneration, Benefits and Amenities aggregating to UAE Dhms 20,000/- p.m. with an annual increment not exceeding 50 % of the last drawn salary to Mr Akshay Mirchandani, w.e.f. 01/04/2011, upon the terms and conditions and stipulations as contained in the Appointment Letter issued by M/S Golden Harvest Middle East FZC, a copy whereof is placed before the Meeting.

Mr. Akshay Mirchandani did his graduation in Commerce from University of Mumbai and completed his MBA from the University of Canberra, Australia in 2007. He worked in the Company in the cadre

of Management Trainee from 01/05/2003 to 14.04.2004 and was appointed as Executive-Co-Ordination on 15.04.2004 and worked in that capacity upto 31.03.2008. After having received extensive training in the Marketing and Management for a period of about 5 years he was posted to M/S Golden Harvest Middle East FZC, Sharjah, UAE, a Subsidiary of the Company, to start its Operations and also to set up the project of M/S Amarak Chemicals FZC which has become the Step Down Subsidiary on 30-12-2010. The Board of Directors have evaluated the performance of Mr. Akshay Mirchandani, both at M/S Golden Harvest Middle East FZC, Sharjah, UAE and M/S Amarak Chemicals FZC, Fujairah, UAE and are confident that he will be able to render satisfactory services to both the Subsidiaries viz M/S Golden Harvest Middle East FZC & M/S Amarak Chemicals FZC and hence recommend the resolution for your approval as set out under Item Nos. 6 & 7 of the Notice.

Since Mr. Akshay Mirchandani is on the Board of Directors of Aries Agro Limited, his appointment as Chief Executive Officer (CEO) of M/s Amarak Chemicals FZC, Fujairah, UAE and M/s Golden Harvest Middle East FZC, Sharjah, UAE, is required to be approved by Special Resolution of members of the Company in pursuance of the provisions of Section 314(1) of the Companies Act, 1956.

Dr. Jimmy Mirchandani, Chairman & Managing Director and Mr. Akshay Mirchandani, Director are concerned or interested in the said resolution.

Item No. 8

The appointment of Mr. Amol Mirchandani, son of Dr. Jimmy Mirchandani, Chairman and Managing Director of the Company and brother of Mr. Akshay Mirchandani, Director, as Officer –Marketing w.e.f. 7th April, 2011 was made by a resolution passed by Circulation on 29th March, 2011 and the said resolution was ratified by the Board of Directors in their Meeting held on 12th May, 2011 on the following terms :

- A. Salary: ₹ 22,500/- (Rupees Twenty Two Thousand Five Hundred only) per month with such annual increments as the Board / Remuneration Committee may decided from year to year.
- B. House Rent Allowance: 10% of the monthly Salary p.m.
- C. Conveyance Allowance: ₹ 1,900/- (Rupees One Thousand Nine Hundred only) p.m.
- D. Annual Bonus : As per the rules of the Company which at present is one month's Salary p.a.
- E. Provident fund contributions : As per the rules of the Company.

- F. Gratuity at the rate of half a month's salary for every completed year of service.
- G. Reimbursement of Medical Expenses : ₹ 5,000/- (Rupees Five Thousand only) p.a.
- H. Leave Travel Assistance : As per the rules of the Company which at present is one month's Salary p.a.

Mr. Amol Mirchandani has graduated in Bachelor of Management Studies from the University of Mumbai. He has undergone the training for a period of 23 ½ months with the Company and acquired the extensive experience in the marketing.

The remuneration payable to Mr. Amol Mirchandani is in line with the existing pay scale of the similar grade of employees of the Company and not in any way differential as offered to him.

Dr. Jimmy Mirchandani, Chairman & Managing Director and Mr. Akshay Mirchandani, Director are concerned or interested in the said resolution. Hence, approval of the Members is being sought by way of Special Resolution for the above Remuneration pursuant to the provisions of Section 314(1B) of the Companies Act, 1956.

The Board of Directors of your Company recommends the resolution for approval.

By Order of the Board

Place: Mumbai
Date: 10th August, 2011

Qaiser P. Ansari
Company Secretary

DIRECTORS' REPORT

To
The Members,
Aries Agro Limited

Your Directors have pleasure in presenting their 41st Annual Report on the operations of the Company together with the Audited Statements of Accounts for the Financial Year ended 31st March, 2011.

FINANCIAL RESULTS

(₹ In Lakhs)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
Turnover	15,825.75	13,974.61
Profit Before Tax Interest & Depreciation	3,662.33	2,921.57
Less: Interest	1,245.95	867.62
Depreciation	180.55	159.83
Profit Before Tax	2,235.83	1,894.12
Provision for Taxation	705.00	535.00
Deferred Tax	59.03	103.09
Profit After Tax	1,471.80	1,256.03
Balance Brought Forward	3,292.73	2,556.10
Prior Period Expense	-	132.12
Exceptional Items	33.62	9.82
Amount available for appropriation	4,730.91	3,670.19
General Reserve	200.00	150.00
Proposed (Final) Dividend	130.04	195.06
Interim Dividend Paid	130.04	
Tax on Interim & Proposed Dividend	43.20	32.40
Surplus Carried Forward to Balance Sheet	4,227.63	3,292.73

OPERATIONS

During the year under review, the earnings before Interest, Depreciation and Tax was ₹ 3,662.33 compared to ₹ 2,921.57 Lakhs in the previous year. As at March'2011, the Gross Fixed Asset was ₹ 4,207.93 compared to ₹ 4,060.74 Lakhs in the previous year. The Turn Over for the year was ₹ 15,825.75 Lakhs as against ₹ 13,974.61 Lakhs in the previous year reflecting a growth of 13.25 %. Profit after tax for the year was ₹ 1,471.80 compared to ₹ 1,256.03 Lakhs in the previous year.

The Company is a major manufacturer and supplier of Chelated micronutrients, value added secondary nutrient fertilizers and also water soluble NPK fertilizers. In addition, we also have a growing range of farm sprayers and plant protection chemicals, including pesticides, insecticides, fungicides and herbicides in our product portfolio. In total, Aries has 85 brands. For detailed discussion please refer to the Management Discussion Analysis forming part of this report.

DIVIDEND

The Company has paid Interim Dividend at ₹ 1.00 per share (10 %) aggregating to ₹ 1,30,04,339/- plus dividend distribution tax of ₹ 21,59,858/- as per the resolution passed in the meeting of Board of Directors held on 28th January, 2011 .

Based on the performance of your Company, Interim Dividend @ 10% was declared and paid in January/February, 2011 and now your Directors are pleased to recommend a Final Dividend of 10 % being ₹ 1/- per Equity Share of ₹ 10/- each subject to your approval at the ensuing Annual General Meeting. The Final Dividend, if approved, will result in an outflow of ₹ 151.64 lakhs including Dividend Distribution Tax.

CREDIT RATING-FOR BORROWING

CRISIL Limited, one of the leading external Rating Agency, has rated your Company as under:

Sr. No.	Facility	Rating
1	Long-Term Loan	A-/Stable
2	Cash Credit	A-/Stable
3	Letter of Credit	P2
4	Bank Guarantee	P2

FUTURE PROSPECTS:

The Company is in the process of launching 10 new products in phases during 2011-12. The product selected includes Organic Soil Conditioners, Specialty Micronutrients and Secondary Nutrients, Gibberellic Acid, Plant Protection Chemicals and specialized products for niche products like apple and other stone fruits. The Company is also entering new markets in India by expanding our distribution activities in states like Kashmir, Kerala, Manipur and Goa.

Our overseas manufacturing operations including M/s. Amarak Chemicals FZC manufacturing Sulphur Bentonite and M/s. Golden Harvest Middle East FZC manufacturing Chelates and Soluble Boron, are now in full production. We have secured orders for Sulphur Bentonite from 4 key fertilizer companies in India and also some other countries including Pakistan and Australia. The demand for these products in India through our distribution network is growing manifold. We believe about 1/3rd of the total capacity of 60,000 MT p.a. will be utilized during 2011-12.

The demand for our products in the South Asian region and the Middle East is growing and we believe that M/s. Golden Harvest Middle East FZC will require expansion of its manufacturing capacity very soon. In addition to export markets, the Company has also set up a team to look into institutional sales in India covering major fertilizer manufacturers, State Governments and large seed producers. This will open up new opportunities to expand bulk business in India.

INITIATIVE FOR EXPORTS

The Company has commenced international sales in 3 countries with supplies from Indian and UAE factories. Distributors have been appointed for these overseas markets. We believe, 2011-12 will witness a marked increase in our export and global sales which will rapidly grow to form 33% of the total group revenue of the Company by Financial Year 2011-2012.

USE OF IPO PROCEEDS

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

DEPOSITS

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

SUBSIDIARIES

At the beginning of the Financial Year 2010-11 the Company had four subsidiaries, Aries Agro Care Private Limited, Aries Agro Equipments Private Limited, Aries Agro Produce Private Limited and Golden Harvest Middle East FZC.

During the Financial Year the Company's Overseas Subsidiary viz M/S Golden Harvest Middle East FZC has on 30.12.2010 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 w.e.f. 30.12.2010.

The operations of Aries Agro Care Pvt. Ltd. commenced in the Financial Year 2008-09 and during the Financial Year 2010-11 the Company has ended with a total revenue of ₹ 46.71 Lakhs and incurred a loss of ₹ 8.47 Lakhs.

The business operations of Aries Agro Equipments Pvt. Ltd. commenced in the year 2009-10 in agricultural sprayers. During the Financial Year 2010-11 the Company has a Turnover of ₹ 358.13 Lakhs with profit after tax of ₹ 41.80 Lakhs.

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

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

As regards the overseas subsidiary M/S. Golden Harvest Middle East FZC with an installed capacity of 10,800 MT p.a., in their third year of operation, has generated a total sale of AED 2,80,77,550/- with a profit of AED 44,87,858/-.

M/s. Amarak Chemicals FZC, became Subsidiary of M/S. Golden Harvest Middle East FZC w.e.f. 30.12.2010 consequently it became a step down Subsidiary of Aries Agro Limited. M/s. Amarak Chemicals FZC with an installed capacity of 60,000 MT p.a., has generated a total sale of AED 63,38,456/- with a profit of AED 5,68,571/- for the year 2010-11.

As required under Section 212 of The Companies Act, 1956, annexed hereto are the Audited Statement of accounts, the Reports of the Board of Directors and Auditors' Reports for the year ended 31st March, 2011 of Aries Agro Care Private Limited, Aries Agro Equipments Private Limited, Aries Agro Produce Private Limited, Golden Harvest Middle East FZC. And Amarak Chemicals FZC.

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

Apart from the above statement a list of Subsidiary Companies given in Note No. 9 - A of the Notes to Accounts is forming part of the Annual Report.

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

INSURANCE

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

DIRECTORS

In accordance with the Companies Act, 1956 and the Articles of Association of the Company, Mr. Akshay Mirchandani and Mr. C. B. Chhaya retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Accordingly their re-appointment forms part of the notice of ensuing Annual General Meeting.

APPOINTMENT OF COST AUDITORS

M/s. R. Nanabhoy & Co., Cost Auditors were appointed as the Cost Auditor of the Company for the year ending 31-03-2012 by the Board of Directors in their meeting held on 12th May, 2011 after ensuring their eligibility and obtaining the letter of eligibility from them. The Company is required to get the Cost Audit completed and the Report filed within 6 months of the end of the Financial Year-2011-12 i.e. on or before 30th September, 2012.

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

The Auditors have in their Audit Report commented that the Company has not provided for Leave Encashment as per Accounting Standard 15. The Leave Encashment pertains only to Managerial Staff and is accounted on cash basis.

APPOINTMENT OF AUDITORS

M/s. Kirti D. Shah & Associates (Membership No. 32371), the Auditors of the Company retire at the ensuing Annual General Meeting and being eligible and holding Peer Review Certificate issued by the Institute of Chartered Accountants of India, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENTS

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

1. In preparation of the Annual Accounts, applicable Accounting Standards have been followed and that there are no material departures
2. The Directors have selected such Accounting Policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the State of the Affairs of the Company at the end of the financial year and of the profit of the Company for that year;
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. Annual Accounts have been prepared on a 'going concern' basis.

PARTICULARS OF EMPLOYEES

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

PARTICULARS OF EMPLOYEES IN TERMS OF SECTION 217(2-A) OF THE COMPANIES ACT, 1956 DRAWING REMUNERATION NOT LESS THAN ₹ 60 Lakhs p.a./ ₹ Five Lakhs p.m. DURING THE YEAR 2010-11											
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 31.03.2011
1	DR. JIMMY MIRCHANDANI	CHAIRMAN AND MANAGING DIRECTOR	8,025,600	CONTRACTUAL	N.A.	MANAGING THE AFFAIRS OF THE COMPANY	B. Sc. (Vet); LLB	15.01.1976	55	N.A.	14.05
2	DR. RAHUL MIRCHANDANI	EXECUTIVE DIRECTOR	7,977,604	CONTRACTUAL	N.A.	MANAGING THE AFFAIRS OF THE COMPANY	B. Com; CFA; MBA; Ph.D	02.02.1994	35	N. A.	5.10

LISTING

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

The Company has made all the compliances of Listing Agreement including payment of Annual Listing Fees upto 31st March, 2012 to both the Stock Exchanges.

CORPORATE GOVERNANCE

The Company has complied with the various requirements under the Corporate Governance reporting system. A detailed Compliance Report on Corporate Governance is annexed to this report. The Auditors' certificate on compliance with the conditions of Corporate Governance under clause 49 of the Listing Agreement is also annexed to this report.

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

Particulars in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, as required to be disclosed under Section 217(1) (e) of the Companies Act, 1956 read with the Companies {Disclosure of Particulars in the Report of the Board of Directors} Rules, 1988 and forming a part of the Directors Report are as under: -

I. Conservation of energy

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

- Energy Conservation measures taken:-
 - Close monitoring of consumption of electricity, LPG, Diesel and water.
 - Optimum use of Energy by Switching off Machines, Lights, Fans, Air Conditioners and Exhaust Systems whenever not required.
 - Creating awareness among Workmen to conserve energy.
- Additional investments and proposals, if any, being implemented for reduction of consumption of energy;
 - installation of energy efficient lights in the office and factory
 - installation of LED lights.

- Impact of measures of (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:
 - Due to measures taken as described above, the overall power and fuel oil consumption at plants and office has reduced and reduction in the cost of production is achieved.
- Total energy consumption and energy consumption per unit of production

Form – A

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

		Current Year 2010-2011	Previous Year 2009-2010
(a)	Purchased: -		
	(i) Unit (KWH)	739,986	733,592
	(ii) Total Amount (₹)	5,556,342	5,042,998
	(iii) Rate/Unit (₹)	7.51	6.87
(b)	Own Generation: -		
	(i) Coal	Not Applicable	Not Applicable
	(ii) Furnace Oil - Kl	12,397	7,145
	(iii) Internal Generation – Units	51,978	23,864

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

(A) RESEARCH AND DEVELOPMENT:

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

- There is a continuous focus on University research on specialty plant nutrition which continues across India.
- Our team of extension officers conducts continuous field demonstrations and extension work including large scale soil sampling, which provides constant updates on deficiency levels across all states in India.

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

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

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

3. Future Plan of Action :

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

4. Expenditure on R & D

Description	For the year ended 31 st March, 2011 (Rupees)	For the year ended 31 st March, 2010 (Rupees)
(I) Capital	7,110	284,540
(II) Recurring	2,100,226	2,444,030
(III) TOTAL	2,107,336	2,728,570
(IV) Total R & D expenditure as a % of		
a. Gross Turnover	0.23	0.20
b. Net Turnover	0.14	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.

B2. Benefits

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

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

C. Foreign Exchange Earnings and Outgo

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

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

2. Total Foreign Exchange used and earned:

Used : ₹ 459,065,505/-

Earned: ₹ 77,280,434/-

SPECIAL BUSINESS

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

GENERAL

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

GROUP

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board,

Place: Mumbai
Date: 10th August, 2011

Dr. Jimmy Mirchandani
Chairman & Managing Director

REPORT ON CORPORATE GOVERNANCE

Corporate Governance Philosophy

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

1. BOARD OF DIRECTORS

(A) Board Composition

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

Category	Name of the Directors
Promoter- Executive Directors	Dr. Jimmy Mirchandani Chairman & Managing Director
	Dr. Rahul Mirchandani Executive Director
Promoter- Non-Executive Directors	Mr. Akshay Mirchandani
Independent- Non-Executive Directors	Dr. D. S. Jadhav
	Prof. R.S.S. Mani
	Mr. Chakradhar Bharat Chhaya

(B) Attendance and Other Directorships

Attendance of Directors at Board Meetings, last Annual General Meeting and number of other Directorships and Chairmanships/ Memberships of Committees of each Director in various Companies as on 31st March, 2011 is as follows:-

Name of the Director & Designation and category	Attendance of Meetings during 2010-11		Directorship in other Public Companies incorporated in India	No. of Membership(s)/ Chairmanship(s) of Board Committees in other Companies	Inter Se Relationship
	Board Meetings	Last AGM held on 17 th September, 2010			
Dr. Jimmy Mirchandani Chairman & Managing Director (Promoter)(CMD)	4 (4)	Yes	1	NIL	Brother of ED and father of NED
Dr. Rahul Mirchandani Executive Director (Promoter)(ED)	4 (4)	Yes	2	NIL	Brother of CMD
Dr. D. S. Jadhav Director Non Executive (Independent)	4(4)	Yes	NIL	NIL	N.A.
Prof. R. S. S. Mani Director Non Executive (Independent)	4(4)	Yes	NIL	NIL	N.A.
Mr. Akshay Mirchandani Director Non-Executive (Promoter)(NED)	1(4)	Yes	NIL	NIL	Son of CMD
Mr. Chakradhar Bharat Chhaya Director Non Executive (Independent)	4(4)	Yes	3	6 (including 3 as Chairman)	N.A.

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

(C) Board Meetings

The Agenda are circulated to the Directors well in advance of the Board Meetings and additional items, if any, are tabled in the course of the Board Meetings. During the year information as mentioned in Annexure 1A to Clause 49 of the Listing Agreement has been placed before the Board for its consideration. The minutes of all the Committees of the Directors are placed before the Board and noted by them.

Four Board Meetings were held during the year, on 21.04.2010, 21.07.2010, 22.10.2010 and 28.01.2011.

(D) Code of Conduct

The Company has adopted a Code of Conduct for the members of the Board and the Senior Executives in compliance with the provision of Clause 49 of the Listing Agreement. All the members of the Board and the Management Committee have affirmed compliance to the Code of Conduct as on 31-03-2011, and a declaration to that effect signed by the Chairman & Managing Director is attached and forms a part of this Report.

BOARD COMMITTEES**2. AUDIT COMMITTEE****i) Brief description of terms of reference**

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

The terms of reference of the Audit Committee are in accordance with Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The Committee acts as a link between the Management, Auditors and Board of Directors of the Company and has full access to financial information.

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

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

The Audit Committee comprises of the following Directors:

Prof. R. S. S. Mani	: Chairman (Independent Director)
Dr. D. S. Jadhav	: Member (Independent Director)
Dr. Rahul Mirchandani	: Member (Non-Independent Director)

The Chairman of the Audit Committee remains present at the Annual General Meeting. The previous Annual General Meeting of the Company was held on 17th September, 2010 and was attended by Prof. R. S. S. Mani, Chairman of the Audit Committee.

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

The Audit Committee met 4 times during the year on 21.04.2010, 21.07.2010, 22.10.2010 and 28.01.2011.

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

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

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

3. REMUNERATION COMMITTEE

(i) **Brief description of Terms of Reference**

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

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

Remuneration Committee consists of Dr. D. S. Jadhav, Prof. R. S. S. Mani and Mr. Chakradhar Bharat Chhaya all Independent Directors, as members. Dr. D. S. Jadhav is the Chairman of the Committee. The Committee did not have any meeting during the year.

(iv) **Remuneration Policy**

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

(v) **Details of Remuneration paid to the Directors for the year ended 31st March 2011.**

i) **Managing Director and Executive Director.**

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

The total remuneration paid to the Managing Director and Executive Director during the year 2010-11 was as under:

(Rupees Lacs)

Name	Salary	Commission	Contribution to Provident Fund/Gratuity	Total
Dr. Jimmy Mirchandani Chairman & Managing Director.	4,680,000	3,000,000	345,600	8,025,600
Dr. Rahul Mirchandani Executive Director	4,560,004	3,000,000	417,600	7,977,604

Notes:

- The Agreements with the Managing Director, and Executive Director are for a period of three years upto 30th September, 2012. Either party to the Agreement is entitled to terminate by giving the other party a notice of 3 months.
- The Managing Director and Executive Director are entitled to compensation for loss of office in accordance with and subject to restrictions laid down under section 318 of the Companies Act 1956.
- Presently, the Company does not have a scheme for grant of Stock Options to its Working Directors
- The Managing Director and Executive Director are entitled to Commission within the overall limit prescribed under sections 198 & 309 of the Companies Act, 1956.

- ii) The Non Executive Directors are not entitled to any Remuneration except payment of Sitting Fees for attending the Meetings of Board of Directors and Committees thereof. During the year 2010-11, the Company has paid total Sitting Fee of ₹ 3,25,000/- to Non Executive Directors as under:

Dr. D. S. Jadhav	₹ 90,000.00
Prof. R. S. S. Mani	₹ 95,000.00
Mr. Akshay Mirchandani	₹ 10,000.00
Mr. C. B. Chhaya	₹ 130,000.00

4. SHAREHOLDERS / INVESTORS GRIEVANCES COMMITTEE

(i) Composition of the Committee

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

The Committee consists of the following members:

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

(ii) Name & Designation of Compliance Officer:

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

(iii) to (v) A statement of various Complaints received and cleared by the Company during the year ended on 31st March, 2011 is given below:

Nature of Complaint	No. of Complaints	Redressed	Pending
1. Non- receipt of Refund Orders	9	8	1
TOTAL	9	8	1

One complaint was pending as on 31-03-2011 due to the reason that the Company was awaiting for confirmation from the Investor of his mailing address. Subsequently on receipt of the confirmation of the mailing address the Demand Draft was dispatched on 27th April, 2011 and the complaint was resolved.

As per revised Clause 47(F) of the Listing Agreement the E-mail ID of the Investor Grievance Department of the Company is **investorrelations@ariesagro.com**.

The Web Site address of the Company is **www.ariesagro.com**.

5. TREASURY COMMITTEE (VOLUNTARY)

Composition of the Committee

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

The Committee consists of the following members:

Dr. Jimmy Mirchandani	: Chairman
Dr. Rahul Mirchandani	: Member
Mr. C. B. Chhaya	: Member

6. General Body Meetings

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

Financial Year ended	Date	Time	Venue	Details of Special Resolutions
31 st March, 2008	28-08-2008	10.00 a.m.	The Acres Club, Hemu Kalani Marg, Chembur, Mumbai-400 071	Keeping of the Register of Members, Index of Members and Copies of all Annual Returns prepared under Section 159 together with Copies of the Certificates and Documents required to be annexed thereto under Section 161 of the Companies Act, 1956 or any one or more of them(the documents) at a place other than the Registered Office of the Company.

Financial Year ended	Date	Time	Venue	Details of Special Resolutions
31 st March, 2009	29-09-2009	10.00 a.m.	The Acres Club, Hemu Kalani Marg, Chembur, Mumbai-400 071	Re-appointment and fixation of remuneration of Dr. Jimmy Mirchandani, Chairman & Managing Director and Dr. Rahul Mirchandani, Executive Director for a period of 3 years w.e.f. 01.10.2009. Amendment in the terms of the deployment of the IPO Funds referred to in the Prospectus dated 26 th December, 2007.
31 st March, 2010	17-09-2010	10.00 a.m.	The Acres Club, Hemu Kalani Marg, Chembur, Mumbai-400 071	Amendment of the Objects Clause of the Memorandum of Association of the Company by insertion of a new Clause for Borrowing.

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

7. DISCLOSURES

- (i) During the year under review, besides the transactions reported elsewhere in the Annual Report, there were no other Related Party Transactions with the Promoters, Directors and Management that had a potential conflict with the interest of the Company at large.
All the transactions with Related Parties are periodically placed before the Audit Committee. The Register of Contracts detailing transactions in which Directors are interested is placed before the Board at every Meeting for its approval. Transactions with Related Parties, as per requirements of Accounting Standard 18 are disclosed in Schedule 20, Note No. 9 to the Accounts in the Annual Report and they are not in conflict with the interest of the Company at large.
- (ii) There have been no instances of Non-Compliance on any matter with the Rules and Regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other Statutory Authority relating to the Capital Markets during the last three years.
- (iii) The Company has not adopted any Whistle Blower Policy. However, no personnel has been denied access to the Senior Management.
- (iv) The Company has complied with the mandatory requirements regarding the Board of Directors, Audit Committees and other Board committees and other disclosures as required under the provisions of the revised Clause 49 of the Listing Agreement. The status of compliance in respect of non-mandatory requirements of Clause 49 of Listing Agreement is as follows:
 - (a) **Maintenance of the Chairman's Office:** The Company has an Executive Chairman and the office provided to him for performing his executive functions is also utilized by him for discharging his duties as Chairman. No separate office is maintained for the Non-Executive Chairman of the Audit Committee but Secretarial and other assistance is provided to him, whenever needed, in performance of his duties.
 - (b) **Tenure of Independent Directors:** No specific tenure has been specified for the Independent Directors.
 - (c) **Remuneration Committee:** The Company has set up a Remuneration Committee consisting of three Non Executive Independent Directors.
 - (d) **Shareholders' rights:** Un-Audited Quarterly Financial Results are posted on the website of the Company.
 - (e) **Audit Qualification:** The Auditors remarks if any are explained in the Directors Report and necessary actions are also taken by the Company when required. The Company shall endeavor to have unqualified Financial Statements.
 - (f) **Training of Board of Directors:** The Directors of the Company are persons from Business and Profession with experience in Corporate Sector. They are being kept posted with various Statutory and Regulatory changes which are applicable to the Company.
 - (g) **Mechanism for evaluating Non-Executive Board Members:** Non Executive Members of the Board are highly qualified and there is no need for evaluation.
 - (h) **Whistle Blower Policy:** The Company has so far not framed a formal whistle blower policy. However, the employees of the Company have free access to the Board of Directors, Audit Committee and Senior Management personnel to report their concerns about unethical behaviour, fraud or violation of statutory requirements, with assurance from the Management to protect the employees from victimization in case they report any such unethical or fraudulent behaviour.
 - (i) **Board disclosures-Risk Management:** The Board is kept informed about the Risk Management being followed by the Company from time to time. All the risks such as fire, marine, burglary, earthquake etc. have been adequately insured.
 - (j) **CMD/CFO Certification**
Chairman & Managing Director/Chief Executive Officer and Chief Financial Officer have issued necessary certificate pursuant to the provisions of clause 49 of the Listing Agreement and the same is annexed and forms part of the Annual Report.
 - (k) **Declaration regarding Code of Conduct**
Declaration by the Chairman and Managing Director confirming compliance with the Code of Conduct as adopted by the Company is annexed and forms part of the Annual Report.

8. SHAREHOLDING OF THE NON-EXECUTIVE DIRECTORS

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

Name of the Non Executive Directors	Number of Equity Share (Pre-Issue)
Dr. D. S. Jadhav	1,050
Prof. R. S. S. Mani	NIL
Mr. Akshay Mirchandani	361,875
Mr. C. B. Chhaya	NIL

9. MEANS OF COMMUNICATION

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

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

10. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

Attention of Members is drawn to the disclosures of transactions with the Related Parties set out in Note No. 9-B in the Notes to Accounts forming part of the Annual Report.

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

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

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

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

12. General Shareholders Information

(i) Annual General Meeting

The 41st Annual General Meeting of the Shareholders will be held on Thursday, 29th September, 2011 at 10.00 a.m.

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

(ii) Financial Calendar:-

For the year ending 31st March, 2012 the Financial Results will be announced on:

First Quarter : On or before 14th August, 2011

Half year : On or before 14th November, 2011

Third Quarter : On or before 14th February, 2012

Yearly : On or before 30th May, 2012

(iii) Date of Book Closure: - Saturday, 24th September, 2011 to Thursday, 29th September, 2011 (both days inclusive)

(iv) Dividend Payment Date: Interim dividend has already been paid in the month of February, 2011. Final dividend will be paid on 24th October, 2011.

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

(vi) ISIN NO. : INE298I01015

Scrip Code : BSE - 532935
NSE - ARIES

(vii) Listing Fee: The Listing Fee for the financial year 2011-2012 has been paid to the above Stock Exchanges.

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

Monthly Share Price Data of the Company's shares on BSE for the year ended 31st March, 2011

Month	Highest		Lowest	
	Rate (₹)	Date	Rate (₹)	Date
April, 2010	147.50	06.04.2010	114.00	28.04.2010
May, 2010	130.30	04.05.2010	104.00	21.05.2010
June, 2010	124.40	14.06.2010	109.00	07.06.2010
July, 2010	156.60	15.07.2010	113.60	01.07.2010
August, 2010	187.80	17.08.2010	128.85	03.08.2010
September, 2010	203.70	03.09.2010	156.00	01.09.2010
October, 2010	192.80	01.10.2010	158.00	29.10.2010
November, 2010	170.00	03.11.2010	124.00	26.11.2010
December, 2010	159.00	06.12.2010	110.60	09.12.2010
January, 2011	138.85	04.01.2011	105.00	31.01.2011
February, 2011	119.35	01.02.2011	95.25	09.02.2011
March, 2011	133.85	31.03.2011	108.25	01.03.2011

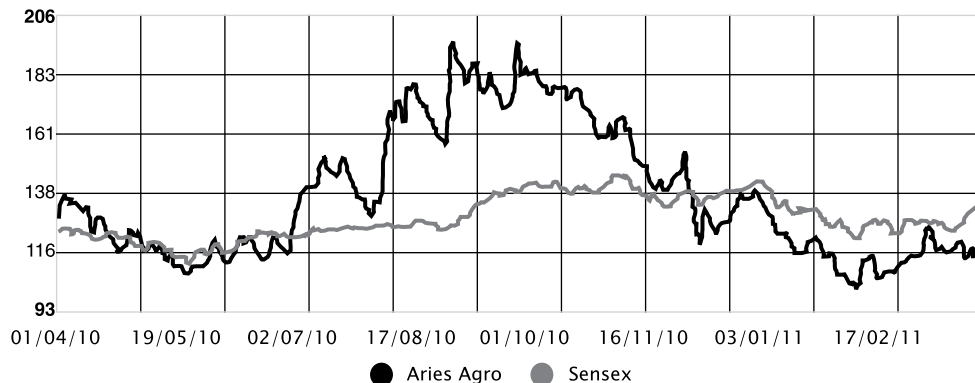
Monthly Share Price Data of the Company's shares on NSE for the year ended 31st March, 2011

Month	Highest		Lowest	
	Rate (₹)	Date	Rate (₹)	Date
April, 2010	143.95	06.04.2010	113.60	28.04.2010
May, 2010	129.75	04.05.2010	100.10	28.05.2010
June, 2010	124.50	16.06.2010	107.25	09.06.2010
July, 2010	158.40	16.07.2010	114.10	01.07.2010
August, 2010	187.50	17.08.2010	129.20	03.08.2010
September, 2010	204.00	03.09.2010	152.40	01.09.2010
October, 2010	192.90	01.10.2010	159.00	29.10.2010
November, 2010	170.00	04.11.2010	120.00	26.11.2010
December, 2010	159.45	06.12.2010	112.00	09.12.2010
January, 2011	138.50	04.01.2011	101.60	31.01.2011
February, 2011	119.00	16.02.2011	96.75	09.02.2011
March, 2011	133.90	31.03.2011	107.20	07.03.2011

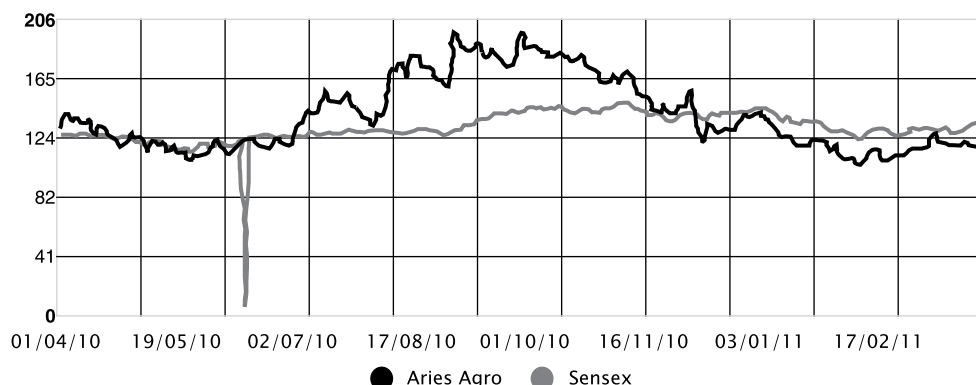
(ix) **Performance in comparison to BSE & NSE Sensex**

BSE

Historic Graph



Historic Graph 01-04-2010 to 31-03-2011

NSE
Historic Graph

(x) Name and Address of the Registrar and Share Transfer Agents
AARTHI CONSULTANTS PVT LTD
Regd. Office

1-2-285 Domalguda, Hyderabad – 500029

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

Email: info@aarthiconsultants.com
(xi) Share Transfer System

Aarthi Consultants Private Limited processes transfer of shares held in Physical form and sends to the Company. If the relevant documents are in order and complete in all respects, the transfer of shares is effected and certificates are dispatched to the transferees within 30 days from the date of receipt.

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

(xii) (1) Distribution of Share Holding as on 31st March 2011

Shareholding of Nominal Value		Shareholders			Share Amount	
From	To	Number	No of Shares	% of Total	Rupees	% of Total
1	5000	7,948	916,896	85.43	9,168,960	7.05
5001	10000	779	569,461	8.37	5,694,610	4.38
10001	20000	288	420,136	3.10	4,201,360	3.23
20001	30000	90	226,016	0.97	2,260,160	1.74
30001	40000	45	156,610	0.49	1,566,100	1.20
40001	50000	44	203,795	0.47	2,037,950	1.57
50001	100000	55	424,599	0.59	4,245,990	3.26
100001	And above	54	10,086,826	0.58	100,868,260	77.57
TOTAL		9,303	13,004,339	100.00	130,043,390	100.00

(2) Distribution of shareholding according to categories of shareholders as on 31st March, 2011

Categories	No. of Shares	Amt. in ₹	% to Total
Promoters	6,857,926	68,579,260	52.74
Directors (Independent)	1,050	10,500	0.01
Financial Institutions/ Banks	--	--	--
Mutual Funds / UTI	1,117,707	11,177,070	8.60
NRI's / OCBs/FIIs	464,960	4,649,600	3.57
Other Bodies Corporate	1,222,540	12,225,400	9.40
Public	3,340,156	33,401,560	25.68
Total	13,004,339	130,043,390	100.00

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

Sr. No.	Name of the Companies	Shareholding as on 31.03.2011
1.	Sreeni Agro Chemicals Pvt. Ltd.	NIL
2.	Aries Marketing Ltd.	NIL
3.	Blossoms International Ltd.	NIL
4.	Aries East-West Nutrients Pvt. Ltd.	NIL

Subsidiary Companies

A list of Subsidiary Companies is given in Note No. 9-A of the Notes to Accounts forming part of the Annual Report.

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

(xiii) Details of Demat Shares as on 31st March, 2011

Name of Depository	No. of Shareholders	No. of Shares	% of Capital
NSDL	6,276	11,613,352	89.30
CDSL	2,725	1,035,022	7.96
Sub-Total	9,001	12,648,374	97.26
Physical Mode	302	355,965	2.74
Grand Total	9,303	13,004,339	100.00

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

(xv) Plant Location: -

Location	Address
Mumbai	• ARIES House, Plot No. 24, Deonar, Govandi(E), Mumbai-400 043, Maharashtra
Kolkata	• ALW Estate Private Limited, Holding No. F-189, Ward 28, South Station Road, Salpata Bagan, Agarpara, Kolkata, 700 109, West Bengal
Hyderabad	• 244-246, 250-252, IDA Phase-II, Pashamylaram, Patancheru Mandal, Medak Dist., Andhra Pradesh
Bangalore	• 8-B, Attibele Industrial Area, Hosur Main Road, Attibele, Bangalore - 562 107, Karnataka
Sanand, Ahmedabad	• Shri Hari Oil Mill Compound, Near Muni Kripa Rice Mills, Opp. B/D Eye Hospital, Viramgam Road, Sanand, Distt. Ahmedabad-382 110, Gujarat
Lucknow	• Plot No. 836, Banthara, Lucknow-Kanpur Highway, Sikandarpur, Tehsil & Distt. Lucknow, U. P., 227 101
Sharjah, UAE	• Golden Harvest Middle East FZC(a Subsidiary of Aries Agro Limited)) Plot P3-04, Post Box No. 9267, Sharjah Airport International Free Zone (SAIF) Sharjah, UAE
Fujairah, UAE	• Amarak Chemicals FZC(a Subsidiary of Golden Harvest Middle East FZC thereby a Step Down Subsidiary of Aries Agro Limited) Al Hayl Industrial Area P. O. Box 5283 Fujairah Free Zone(FFZ) Fujairah, UAE

(xvi) Address for Correspondence:

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

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

- ii) For grievance redress and any query

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

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

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

AUDITORS' CERTIFICATE

To the Members of Aries Agro Limited

We have examined the compliance of the conditions of Corporate Governance by Aries Agro Limited for the year ended 31st March, 2011, as stipulated in clause 49 of the Listing Agreements of the said Company with Stock Exchanges in India.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with Guidance Note of Certificate of Corporate Governance(as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

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

For Kirti D. Shah & Associates
Chartered Accountants

Kirti D. Shah
Proprietor
Membership No. 32371

Mumbai

Date: 10th August, 2011

**Declaration by the Chairman & Managing Director to the Compliance of Code
of Conduct in pursuance of Clause 49 (D) (ii) of the Listing Agreement**

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

Dr. Jimmy Mirchandani
Chairman & Managing Director

Date: 10th August, 2011

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, 2011 and based on our knowledge and belief we state that :-
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading.
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct. We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- (c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
 - i. There have been no significant changes in the internal controls over financial reporting during the year.
 - ii. There have been no significant changes in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii. There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Dr. Jimmy Mirchandani
Chairman & Managing Director

S. Ramamurthy
Chief Financial Officer

Mumbai
10th August, 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

FORWARD LOOKING STATEMENTS

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

MANUFACTURING BASE

Aries has been effectively scaling up utilization of its manufacturing base of 84,600 MT p.a. in India. At present our total capacity utilization is spread across 6 factories and stands at 47%. This is an increase of 11% from the previous year. During the year we have also expanded packing operations at our Hyderabad manufacturing unit with the construction of an additional Phase II Shed admeasuring 8,070 Sq.Ft. located at the existing plot in Pashamylaram Industrial Estate. In addition, our 70,000 MT p.a. manufacturing base at Sharjah and Fujairah are now fully operational. The Fujairah manufacturing unit is the 1st in Asia and 15th in the world with 60,000 MT p.a. installed capacity for Sulphur Bentonite fertilizer.

The Company is also looking at shifting its existing Ahmedabad manufacturing unit to a larger premise within the next 12 months.

GLOBAL SOURCING

We continue to source critical raw materials and world class plant nutrient products from suppliers located in South America, China, Japan, Middle East, Jordan, Belgium and South Africa. During the year, imports constituted 52 percent of total purchases making global sourcing the key strategy for cost and quality management. At present 26 out of the Company's 85 brands are Made-for-India products sourced from overseas suppliers and sold under Aries brand names.

INDUSTRY TRENDS

2010-11 was a year of contrast in the Agri business sector with delayed and excessive rains not only in the Kharif (summer) season but also in the Rabi (winter) season with added effect of floods or deficient rains in certain pockets. The seasons were extremely erratic with delayed starts and they extended way beyond normal periods. This caused pressure on inventories. The political instability in East India and in Andhra Pradesh caused some disruptions in

normal operations. The changing seasons caused a significant shift in our quarterly revenue trends.

The highly uncertain rainfall patterns, if continues, will alter the quarterly revenue trends to some extent depending on the onset of the monsoons.

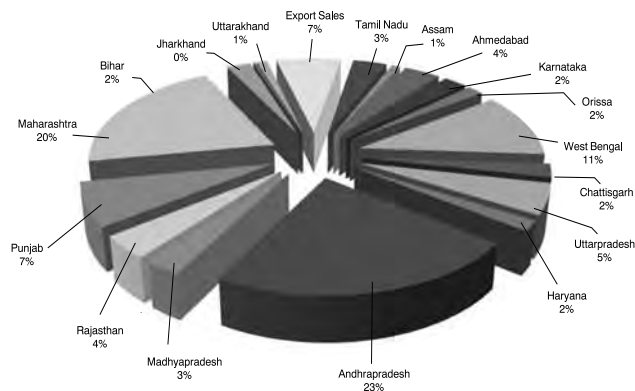
However, the Company has been working steadily in reducing its rainfall dependence in order to mitigate the environmental risks. Despite the uncertainty in environmental factors, the Company achieved revenue growth of 13% over the previous financial year.

The sales revenue grew in all states with the exception of Uttarpradesh and Punjab. The summary of the statewide revenue growth is as under:

States with sales growth above 50%	States with sales growth between 30% – 50%	States with sales growth between 15% - 30%	States with less than 15% sales growth
Gujarat Jharkhand Jammu & Kashmir Kerala	Maharashtra Chattisgarh Karnataka Andhra Pradesh	Uttarakhand Himachal Pradesh North East	Madhya Pradesh Orissa, Rajasthan Haryana Tamil Nadu West Bengal, Bihar

It is also noteworthy that international business increased by 64% and now constitutes 28% of the total revenue of the Aries Group.

STATEWISE SHARE OF REVENUES



FARMER FUNDING:

The extreme circumstances prevailing across the country due to large increase in interest rates, the collapse of the micro finance industry, the prevailing inflationary pressures, the rising costs of practically all agricultural inputs, etc, has resulted in severely constricting the cash flows of Indian farmers. Your management is in discussion with a few banks to extend loans / lines of credit to the Company's farmer customers, which intturn will enable such customers to increase their purchase of the Company's products, such as micro fertilizers, insecticides, sprayers, etc. The Company will manage the sanction, disbursements and recovery of such loans given by the Banks to such farmer customers. This will result in not only increasing the sales volumes of the Company but also

will ensure better recovery of sales receivables. In addition the Company will receive management fees from the bankers which, in itself, has a potential to grow into an independent revenue stream.

GROWTH DRIVERS

The Company's future growth shall be driven by international sales, institutional business in India, entering new markets in India and increasing the depth of our product portfolio. The Company continues to invest heavily on brand promotion and extension activities, which creates demand for the extensive product range across all markets.

The Company has decided to suspend sales on the range of Ansh Seeds and also stop the manufacturing of its 2 bio-fertilizers w.e.f. 2011-12. However, it is not expected that this will significantly affect revenue outlook for the Aries Group.

COST MANAGEMENT

The rising costs of raw materials, processing costs, fuel and interest rates are a major source of concern. All these have impacted the Company during the entire financial year. Inflationary pressures on all counts have compelled the Company to raise quarterly prices for its entire range of products and we have already increased prices significantly over the previous year. Though a portion of the cost increase has been passed on to the market, the Company is still absorbing some of the cost escalations in the interest of sustaining demand for some key brands. It is expected that raw materials, fuel prices and interest costs will continue to rise during the entire year 2011-12.

To offset part of the cost escalations which is unmet with the price increase, the Company is resorting to stringent monitoring of all costs across all areas of production and administration at all cost centers.

MAN POWER

The Company's expansion into new markets has necessitated the increase in manpower from 612 to 645 persons during the year under review. We believe an additional number of 125 persons will be added to the Company's work force during 2011-12. Majority of this increase will come in the areas of brand promotions and extension services as well as at the overseas manufacturing centers.

GLOBAL DISTRIBUTION:

The company has commenced international sales in 3 countries with supplies from Indian and UAE factories. Distributors have been appointed for these overseas markets. We believe, 2011-12 will witness a marked increase in our export and global sales which will rapidly grow to form 33% of the total group revenue of the Company by Financial Year 2012.

OUTLOOK:

The 2011 monsoons commenced about a week early, however, there was a significant break and a dry spell during almost all of June 2011. This has once again delayed the Kharif season. However, July rains have been on track and all major markets have received rainfall. Should the trend continue, prospects for the Kharif season and consequent harvest looks positive.

The Company will be adding additional 10 products during the year 2011-12 including 1 Soil Conditioner, 4 Specialty Plant Nutrients, 2 Plant Protection Chemicals, 1 Plant Hormone and 2 products specifically for Apple and Stone Fruits. This will add to the revenue growth potential. In addition, the sales and extension activities will be scaled up significantly with specific targets assigned to all group

leaders with regard to farmers meetings, demonstrations, field trials, dealers' training, staff training and other related demand creation activities.

REDUCING RAINFALL DEPENDENCE:

The Company has over the last 10 years succeeded in its rainfall dependence by adopting practices that includes;

- Deliberate focus on developing cash crop markets
- Reduced focus on cereals grown in Kharif season
- Campaigns during Rabi season for horticultural crops
- Water availability in reservoirs is known before commencement of the Rabi season, enabling strategy shifts into areas with adequate water
- Focus on crops where farm gate prices have increased farmer's investment capacity
- Widen geographic spread into new markets
- Develop penetration in existing markets by entering unserved areas using Krishi Vigyan Vahans (KVVVs)

Correlation of Sales Growth to % Districts with normal Rainfall

2001-2004	0.98
2001-2005	0.76
2001-2006	0.79
2001-2007	0.79
2001-2008	0.80
2001-2009	0.63
2001-2010	0.51

Correlation coefficient between **Aries Sales Growth** and **% of LPA rainfall** received is currently only **0.459**, down from as high as 0.98 in the 2001-2004 period.

The table above indicates significant reduction in the correlation between number of districts receiving normal rainfall and the revenue growth of the Company. We believe that efforts to reduce rainfall dependence are critical as we move into the future years to ensure sustained growth. However, the nature of agriculture in India cannot completely eliminate this very significant risk.

SEGMENTWISE / PRODUCTWISE PERFORMANCE

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

INTERNAL CONTROL SYSTEM

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

FINANCIAL PERFORMANCE:

The Company's Turnover for the financial year ended March 31, 2011 increased to ₹ 15,825.75 Lakhs from ₹ 13,974.61 Lakhs in the previous year, registering a growth of 13.25%.

Total expenses for the year were ₹ 15,208.34 Lakhs as against ₹ 12,329.83 Lakhs in the previous year.

Profit Before Tax increased to ₹ 2,235.83 Lakhs during the year as against ₹ 1,894.12 Lakhs in the previous year. The increase in Profit Before Tax translates to 18 %.

Tax provision for the year was ₹ 764.03 Lakhs as against ₹ 638.08 Lakhs in the previous year which translates to 4.82 % on FY 10-11 Sales.

Profit After Tax for the year was ₹ 1,471.80 Lakhs as against ₹ 1,256.03 Lakhs in the previous year which is 9.30 % of FY 10-11 Sales.

RESOURCES AND LIQUIDITY:

As on March 31, 2011, the net worth of the Company stood at ₹ 10,958.00 Lakhs as against ₹ 9,823.10 Lakhs.

As on March 31, 2011, the Company had a Debt / Equity ratio of 0.94. The Company has not raised any Fixed Deposits from the public.

HUMAN RESOURCES:

As at the end of the financial year there were 645 employees under the permanent rolls and a few under contract. We have an ongoing arrangement with few labour supplier organisations for our various locations.

We have 120 workers in our permanent employment and sizeable numbers on contract working in our factories. The detailed breakup of the same is as under:

Sr. No.	Particular	Employees
1.	Skilled	56
2.	Semi-Skilled	10
3.	Unskilled	54
	Sub- Total	120
4.	Contract Labour	180
	TOTAL	300

The Department wise breakup of our manpower is as under:

Sr. No	Name of the Department	No. of Staff
1.	Accounts	43
2.	Administration	95
3.	Director	2
4.	Personnel & Administration	4
5.	Production (Staff)	28
6.	Production (Workers)	120
7.	Research & Development	9
8.	Sales	337
9.	Spray Dry Operator	5
10.	Legal & Secretarial	2
	TOTAL	645

HEALTH/ SAFETY/ENVIRONMENT SENSITIVITY

HEALTH THROUGH NUTRITION:

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

ENVIRONMENT SENSITIVITY:

- All Aries products are based on the philosophy of "Use less chemicals and use safe chemicals" – low doses of chemically inert and cost effective nutrient complexes
- The entire range of Aries Chelates are environmentally safe

NON POLLUTING:

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

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

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

MORE ENVIRONMENTALLY SENSITIVE PRODUCTS

Expanding our product range of environmentally sensitive products, Aries has introduced for the first time in India, a range of 4 bio-degradable chelates which ensure residue free crops within 15 days from application. This is a technology that the Company has pioneered in India and has been extremely well received by farmers in the horticultural sector. The Company has also introduced 5 products which are natural amino acid based chelates, which use soya protein as a natural chelating agent. This zero chemical product provides cost effective plant nutrition to farmers and has also been well received. The addition of these products to our portfolio of plant nutrient solutions demonstrates our firm commitment to providing safe and inert nutrition sources for agriculture which are not harmful in any way and leave no residues on application.

SPREADING KNOWLEDGE:

Aries continues to strongly support activities of the Confederation of Indian Industry's Young Indian Farmer network. We currently have expanded the activities of this network to all states where Aries operates and have also recently added young farmers from far flung states like Kerala and Manipur into this knowledge sharing platform. Over 142 knowledge dissemination activities were undertaken during the year under review which impacted 20,544 farmers and 1185 rural children from agricultural communities. The events exposed farmers to best practices in crop nutrition using study tours and workshops and also connected them with Agricultural Universities and Research Stations. The Company is also engaged in best practices sharing with students from 10 Rural Schools in order to prepare future farmers who will adopt the most effective crop management techniques.

Specifically, the programs included:

- **Uniconnect** – a structured lab to land programme that connects university faculty, researchers and students with young farmers.

- **Suryodaya** – farmers training in local areas
- **Bal Krishak Sambodhan sessions in rural schools** – Guest lectures by experts to expose higher secondary school students to the latest agricultural methods making them 'future ready'.

PHILANTHROPY

During the year under review the Company supported initiatives including Dignity Foundation, Mumbai, which offers community services, life enrichment, knowledge sharing, shelter and advocacy for elderly persons and Srishti Foundation, Andhra Pradesh, which feeds nutritious meals to thousands of elderly persons and children in the Kakinada District of Andhra Pradesh.

SOIL TESTING SERVICES

The Company has organized during the year soil testing camps in 18 states using Mobile Soil Testing Kits which analyse 7 parameters including pH, EC, NPK levels in soil, micro nutrient levels including Zinc, Ferrous, Boron, Organic Carbon, etc. 1325 numbers of Soil samples were analysed during the year and 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.

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

AUDIT REPORT TO THE SHARE HOLDERS OF ARIES AGRO LIMITED.

i. We have audited the attached Balance sheet of **ARIES AGRO LIMITED**, as at 31st March, 2011 and also the annexed Profit & Loss Account and Cash Flow Statement of the Company for the period ended on that date. The preparation of financial statements is the responsibility of company management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

iii. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to in paragraph (3) above, we report that:

- a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- b. In our opinion, proper books of accounts as required by law, have been kept by the Company so far as appears from our examination of the books of the Company;
- c. The Balance Sheet and the Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of accounts of the Company

d. *In our opinion, the Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by, this report comply with all material respects with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 except as under:-*

Non Provision of Leave Encashment – as per Accounting Standard 15 (See note 4 to Notes to Accounts)

- e. On the basis of written representations received from the directors, and taken on record by the Board of Directors, in our opinion, none of the directors is disqualified from being appointed as director u/s 274(l)(g) of Companies Act, 1956;
- f. The company is not a sick company within the meaning of section 3(1) (o) of the SICA Act, 1985. Hence there is no question of payment of cess as required under section 441 A of Companies Act;
- g. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit & Loss Account and Cash Flow Statement, together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011,
 - ii. in the case of the Profit and Loss Account, of the profit of the Company for the period ended on that date.
 - iii. in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

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

Chartered Accountants
Kirti D. Shah
Proprietor
Membership
No. 32371

Place: Mumbai
Date: 10th August, 2011

ANNEXURE TO THE AUDITORS' REPORT

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

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

- i. a. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b. These fixed assets were physically verified by the management during the period. We have been informed that no material discrepancies were noticed on such physical verification.
- c. In our opinion and according to the information and explanation given to us, a substantial part of fixed assets have not been disposed off during the period, which will affect its status as going concern.
- ii. a. The stock of inventory has been physically verified during the period by the management at reasonable intervals.
- b. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c. The company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification of stocks as compared to book records and hence the question of whether the same have been properly dealt with the books of accounts does not arise.
- iii. a. The Company has granted loans to seven parties covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the period ended 31/03/2011 is ₹ 310,935,683/- (Previous Year ₹ 45,609,594/-) and closing balance as on 31/03/2011 is ₹ 274,974,530/- (Previous Year ₹ 45,012,584/-)
- b. As per information and explanation provided to us, the loans granted by the Company except the loan granted to Golden Harvest Middle East FZC mentioned in clause 'a' above, are interest free and receipt of principal amount are also regular. However other terms and conditions on which such loans and advances given to Companies, Firms or Other Parties listed in the Register maintained under section 301 are not, prima facie, prejudicial to the interest of the Company.
- c. As per the information given by the management, in case of overdue amount more than ₹ 1.00 lakh, the reasonable steps have been taken by the company for recovery of the principal and Interest.
- d. The company has taken loan from one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was ₹ 28,000,000/- (Previous Year ₹ 10,200,000/-) and closing balance as on 31/03/2011 is ₹ NIL/- (Previous Year ₹ NIL)
- e. The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest wherever applicable.
- iv. In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. In our opinion, there is no continuing failure to correct major weaknesses in internal control.
- v. a. According to the information and explanation provided by the management, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the Register maintained under section 301 have been so entered.
- b. The transactions made in pursuance of contracts or arrangements entered in the Register maintained under section 301 have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted deposits from the public. Hence, the question of complying the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Act and the rules framed there under, where applicable, does not arise.
- vii. The company has appointed a firm of Chartered Accountants for carrying out the internal audit, whose scope of work, according to our information, is commensurate with the size of the Company and nature of its business
- viii. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the central government for the maintenance of the cost records under section 209 (1) (d) of the act and are of the opinion that Prima facie the prescribed accounts and records have been made and maintained by the company. We have not, however made a detailed examination of the same. The Company has appointed a cost accountant firm to carry out the Cost Audit.
- ix. a. The company is generally regular in depositing statutory dues including Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues except on occasional delays. As per the information given by the management and apparent from the records the undisputed liabilities as on 31st March 2011 is NIL.
- b. Details of disputed liability in respect of tax dues on account of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess together with the status and the Forum before which such dispute is pending as on 31st March 2011 is as per **Annexure I**.
- x. The company has no accumulated losses. The company has not incurred cash losses in the financial period under report and in the financial period immediately preceding such financial period.

- xi. The company has not defaulted in repayment of dues to a financial institution or bank. The Company has not obtained any borrowings by way of debenture.
- xii. According to the records of the company, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The company is not a chit fund, Nidhi or mutual benefit fund/ society.
- xiv. The company is not dealing or trading in shares, securities, debentures and other investments. The shares held by the Company have been held by the Company in its own name.
- xv. According to the information and explanation provided to us, in respect of guarantees given / security offered by the Company in respect of facilities / loans granted to Subsidiaries / Farmer customers of the Company, the terms and conditions of such loans / facilities are prima facie not prejudicial to the interest of the Company.
- xvi. The company has taken a term loan which has been utilized for the purpose for which such loans were obtained.
- xvii. The funds raised on short-term basis have not been used for long term investment and vice versa.
- xviii. According to the records of the Company and the information and explanation provided by the management, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- xix. The Company has not issued any debentures hence the clause XIX of the said order is not applicable to the company.
- xx. The Company has not raised any Capital during the year and hence the question whether the management has disclosed the end use of money raised by public issues and whether the same has been verified by us or not does not arise.
- xxi. During the checks carried out by us, any fraud on or by the Company has not been noticed or reported during the period under report.

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

Chartered Accountants

Kirti D. Shah

Proprietor

Membership

No. 32371

Place: Mumbai

Date: 10th August, 2011

Annexure I to Auditors Report (Clause IX-b)

Details of disputed statutory dues outstanding as on 31st March, 2011

Nature of Dues	Period to which payment relates	Forum where the dispute is pending	Particulars of Dispute	Tax Outstanding ₹
Sales Tax (Kanpur)	1994 – 1995	Assessing Authority, (DC) – Asst. (5) - Commercial Tax Department, Kanpur	Applicability of C Form on interstate sale of poultry products	93,173
Sales Tax (Kanpur)	1985-1986	Tribunal	Classification of goods	175,000
Sales Tax (Lucknow)	2009-10	Joint Commissioner Appeal-3, Commercial Tax Department, Lucknow	Levy of Penalty	244,000
			Total	512,173
Income Tax	2005-06	Income Tax Appellate Tribunal	Disallowance of Notional Interest on Advances given	441,660
Income Tax	2008-09	Income Tax Officer (TDS) 1 (2)	TDS other than Salary - Short deducted / paid and Interest thereon. Order U/s 201(1) / 201 (1A)	3,442,040
Income Tax	2009-10	Deputy Commissioner of Income Tax – TDS Circle Mumbai	TDS on Salary - Short deducted / paid and Interest thereon. Order U/s 201(1) / 201(1A)	1,572,330
			Total	5,456,030

Claims against the Company not acknowledged as Debts

Period to which payment relates	Forum where the dispute is pending	Particulars of Dispute	Amount Disputed ₹
F Y 2000-01	City Civil Court, Ahmednagar	M/s Amrut Chicks Pvt. Ltd. – Quality Issue	1,700,000/-
F Y 1994-95	City Civil Court, Ahmedabad	M/s United Chemicals Industries	108,857/-
F Y 2007-08	City Civil Court, Jalgaon	M/s Vinita Chemipharma Corporation - Quality Issue	246,000/-
F Y 2006-07	Consumer Redressal Forum, Lucknow (UP)	Mr. Kamlesh Kumar – Quality Issue	35,000/-
F Y 2010-11	District Consumer Forum, Nizamabad (AP)	Mr. K. Srinivasa Rao – Quality Issue	591,750/-
		Total	2,681,685

BALANCE SHEET AS AT 31ST MARCH, 2011

Particulars	Schedule No.	As at 31 March, 2011 Rupees	As at 31 March, 2010 Rupees
I. SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
(a) Share Capital	1	130,043,390	130,043,390
(b) Reserves and Surplus	2	1,045,081,069	934,395,470
		<u>1,175,124,459</u>	<u>1,064,438,860</u>
LOAN FUNDS			
(a) Secured Loans	3	947,289,759	739,738,820
(b) Unsecured Loans	4	84,729,228	90,628,878
		<u>1,032,018,987</u>	<u>830,367,698</u>
DEFERRED TAX LIABILITY / (ASSET)		<u>20,787,214</u>	<u>14,883,932</u>
TOTAL		<u><u>2,227,930,660</u></u>	<u><u>1,909,690,491</u></u>
II. APPLICATION OF FUNDS			
FIXED ASSETS			
(a) Gross Block	5	420,793,021	406,074,382
(b) Less :- Depreciation		<u>101,010,841</u>	<u>83,017,364</u>
(c) Net Block		<u>319,782,180</u>	<u>323,057,018</u>
(d) CAPITAL WORK IN PROGRESS	6	170,683,965	157,277,529
INVESTMENTS	7	180,609,500	146,404,500
CURRENT ASSETS, LOANS AND ADVANCES			
(a) Inventories	8	841,925,617	468,676,765
(b) Sundry Debtors	9	488,707,101	650,221,425
(c) Cash and Bank Balances	10	402,368,243	78,972,486
(d) Loans and Advances	11	609,131,030	466,082,690
		<u>2,342,131,992</u>	<u>1,663,953,366</u>
Less: CURRENT LIABILITIES AND PROVISIONS			
(a) Current Liabilities	12	707,201,489	306,326,211
(b) Provisions		<u>78,075,488</u>	<u>74,675,711</u>
		<u>785,276,977</u>	<u>381,001,923</u>
NET CURRENT ASSETS		<u>1,556,855,014</u>	<u>1,282,951,443</u>
TOTAL		<u><u>2,227,930,660</u></u>	<u><u>1,909,690,491</u></u>
Significant Accounting policies & Notes on Accounts	20		

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 :- 10th August, 2011

For and on behalf of the Board

Dr. Jimmy Mirchandani
Chairman & Managing Director

Dr. Rahul Mirchandani
Executive Director

Mr. S Ramamurthy
Chief Financial Officer

Dr. D S Jadhav
Director

Mr. Akshay Mirchandani
Director

Mr. Qaiser P. Ansari
Company Secretary

Prof R S S Mani
Director

Mr. C. B. Chhaya
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	Schedule No.	Year Ended 31 March, 2011 Rupees	Year Ended 31 March, 2010 Rupees
I. INCOME			
(a) Gross Sales	13	1,582,574,941	1,397,461,273
Less :- Excise Duty		22,719,436	15,796,378
Net Sales		1,559,855,505	1,381,664,895
(b) Other Income	14	37,760,166	39,494,621
(c) Increase/(Decrease) in stock	15	146,802,413	1,235,758
Total Revenue		1,744,418,083	1,422,395,275
II. EXPENDITURE			
(a) Consumption of Materials	16	725,247,012	611,616,397
(b) Manufacturing / Direct Expenses	17	79,264,631	60,501,195
(c) Interest and Financial charges		124,595,033	86,762,166
(d) Payment to & for employees	18	147,050,395	119,109,242
(e) Administration & Other Expenses	19	426,622,998	339,010,276
(f) Depreciation		18,054,641	15,983,598
		1,520,834,709	1,232,982,875
III. Profit Before Tax (PBT)		223,583,374	189,412,400
IV. Provision for Taxation			
(i) Income tax			
Current Tax		70,000,000	53,000,000
Deferred Tax		5,903,282	10,308,927
(ii) Wealth tax		500,000	500,000
		76,403,282	63,808,927
V Profit After Tax (PAT)		147,180,092	125,603,473
Less :- Prior Period Items		-	13,211,626
Short Provision for Tax in Earlier Years		3,361,666	982,296
VI Balance brought forward from Previous Year		329,273,039	255,609,787
VII Amount available for Appropriations		473,091,465	367,019,338
VIII Appropriations			
Transfer to General Reserve		20,000,000	15,000,000
Proposed Dividend		13,004,339	19,506,509
Interim Dividend Paid		13,004,339	-
Dividend Distribution Tax		4,319,716	3,239,790
IX Balance Carried to Balance Sheet		422,763,071	329,273,039
Basic & Diluted Earning before exceptional items per Share Face Value of ₹ 10/- each		11.32	9.66
Basic & Diluted Earning after exceptional items per Share Face Value of ₹ 10/- each		11.06	8.57
Significant Accounting policies & Notes on Accounts	20		

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 :- 10th August, 2011

For and on behalf of the Board

Dr. Jimmy Mirchandani
Chairman & Managing Director

Dr. Rahul Mirchandani
Executive Director

Mr. S Ramamurthy
Chief Financial Officer

Dr. D S Jadhav
Director

Mr. Akshay Mirchandani
Director

Mr. Qaiser P. Ansari
Company Secretary

Prof R S S Mani
Director

Mr. C. B. Chhaya
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

Particulars	Rupees in Lacs	
	Year ended 31-Mar-11	Year ended 31-Mar-10
A) Cash Flow from Operating Activities :-		
Net Profit Before Tax and Extraordinary Items	2,235.83	1,894.12
Adjustments for :-		
Depreciation	180.55	159.84
Interim Dividend Paid	(130.04)	-
Proposed Dividend	(130.04)	(195.07)
Dividend Distribution Tax	(43.20)	(32.40)
Prior Period Taxes	(33.62)	(9.82)
Prior Period Expenses	-	(132.12)
Interest Income being cash flow from Investing Activities	(283.34)	(253.96)
Interest Expense being cash flow for Financing Activities	1,245.95	867.62
(Profit)/Loss on sale of Fixed Assets	15.94	20.42
Operating Profit before Working Capital Changes	3,058.03	2,318.64
Adjustments for :-		
(Increase) / Decrease in Inventories	(3,732.49)	348.92
(Increase) / Decrease in Trade Receivables	1,615.14	(2,017.02)
(Increase) / Decrease in Loans & Advances	(1,430.48)	(302.56)
Increase / (Decrease) in Current Liabilities and Provisions	4,042.75	838.47
Cash Flow from Operating Activities	3,552.95	1,186.45
Taxes paid	(705.00)	(535.00)
Net Cash Flow from Operating Activities	2,847.95	651.45
B) Cash Flow from Investing Activities :-		
Acquisition of Fixed Assets (Including Capital Work in Progress CWIP)	(354.16)	(202.36)
Proceeds on Sale of Fixed Assets	28.32	18.96
Increase in Investments (Including Share Application Money)	(342.05)	(806.57)
Interest Received	283.34	253.96
Net Cash Flow in Investing Activities	(384.56)	(736.00)
C) Cash Flow from Financing Activities :-		
Increase / (Decrease) in Borrowings	2,016.51	1,704.74
Interest Paid	(1,245.95)	(867.62)
Net Cash Flow from Financing Activities	770.56	837.12
Net Increase in Cash & Cash Equivalents (A + B + C)	3,233.96	752.57
Cash & Cash Equivalents as at 1st April	789.72	37.15
Cash & Cash Equivalents as at 31st March as per Schedule - 10	4,023.68	789.72

As per our report of even date

For and on behalf of the Board

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

Dr. Jimmy Mirchandani
Chairman & Managing Director

Dr. D S Jadhav
Director

Prof R S S Mani
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Kirti D Shah
Proprietor
Membership No 32371

Dr. Rahul Mirchandani
Executive Director

Mr. Akshay Mirchandani
Director

Mr. C. B. Chhaya
Director

Place : Mumbai.
Date :- 10th August, 2011

Mr. S Ramamurthy
Chief Financial Officer

Mr. Qaiser P. Ansari
Company Secretary

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2011

Particulars	As at 31 March, 2011 Rupees	As at 31 March, 2010 Rupees
SCHEDULE 1 - SHARE CAPITAL		
Authorised		
15,000,000 Equity Shares of ₹ 10/- each (Previous Year 15,000,000 Equity Shares of ₹ 10/- each)	150,000,000	150,000,000
	150,000,000	150,000,000
Issued, Subscribed and Paidup		
13,004,339 Equity Shares of ₹ 10/- each fully called and paidup (Previous Year 13,004,339 Equity Shares of ₹ 10/- each fully called and paidup).	130,043,390	130,043,390
Of the above Shares:		
(i) 6,600,700 Equity Shares of ₹ 10/- each were allotted as fully paid-up Bonus Shares by capitalisation of ₹ 4.90 Crores from Revaluation Reserve, ₹ 0.91 Crores from Securities Premium Account and ₹ 0.79 Crores from Profit and Loss Account.		
PER BALANCE SHEET	130,043,390	130,043,390
SCHEDULE 2 - RESERVES AND SURPLUS		
GENERAL RESERVES		
Balance b/f	32,956,310	17,956,310
Add : Transfer from Profit & Loss A/c	20,000,000	15,000,000
	52,956,310	32,956,310
SHARE PREMIUM		
Balance b/f	490,037,050	490,037,050
	490,037,050	490,037,050
REVALUATION RESERVE		
Balance b/f	82,129,072	84,933,505
Less : Depreciation on Revalued assets	2,804,433	2,804,433
	79,324,639	82,129,072
PROFIT & LOSS ACCOUNT (as per annexed a/c)	422,763,071	329,273,039
	422,763,071	329,273,039
PER BALANCE SHEET	1,045,081,069	934,395,470
SCHEDULE 3 - SECURED LOANS		
Term Loans		
FROM BANKS	25,159,117	26,835,341
(Against charge created on Company's Asset i.e.Motor vehicles)		
Repayable within one year ₹ 11,732,954/- (Previous year ₹ 14,367,654/-)		
FROM BANKS - ICICI BANK BAHRAIN	227,635,952	239,005,728
(Foreign Currency Loan - Secured against Equitable Mortgage of Land and Building and personal guarantee of Directors)		
Repayable within one year ₹ 31,153,554/- (Previous year ₹ 9,589,736/-)		
FROM COMPANY	212,784	295,152
(Against charge created on Company's Asset i.e.Motor vehicles)		
Repayable within one year ₹ 61,562/-		
(Previous year ₹ 53,715/-)		

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2011

Particulars	As at 31 March, 2011 Rupees	As at 31 March, 2010 Rupees
Buyers Credits / Cash Credits		
FROM BANKS		
HDFC BANK - BUYERS CREDIT (Against charge created on Company's Inventory, Book Debts and Plant & Machinery and guaranteed by Directors)	118,122,726	30,290,823
ICICI BANK - BUYERS CREDIT (Against charge created on Company's Inventory, Book Debts and Plant & Machinery and guaranteed by Directors)	38,862,236	38,281,591
ICICI BANK - CASH CREDIT (Against charge created on Company's Inventory, Book Debts and Plant & Machinery and guaranteed by Directors)	64,378,975	119,635,438
CANARA BANK - CASH CREDIT (Against charge created on Company's Inventory, Book Debts and Plant & Machinery and guaranteed by Directors)	193,864,472	135,394,748
Working Capital Demand Loan (WCDL)		
AXIS BANK - WCDL (Against charge created on Company's Inventory, Book Debts and Plant & Machinery and guaranteed by Directors) Repayable within one year ₹ 151,553,496/- (Previous year ₹ Nil/-)	151,553,496	-
HDFC BANK - WCDL (Against charge created on Company's Inventory, Book Debts and Plant & Machinery and guaranteed by Directors) Repayable within one year ₹ 100,000,000/- (Previous year ₹ 100,000,000/-)	100,000,000	100,000,000
YES BANK - WCDL (Against charge created on Company's Inventory, Book Debts and Plant & Machinery and guaranteed by Directors) Repayable within one year ₹ 27,500,000/- (Previous year ₹ 50,000,000/-)	27,500,000	50,000,000
PER BALANCE SHEET	<u>947,289,759</u>	<u>739,738,820</u>
SCHEDULE 4 - UNSECURED LOANS		
Short - Term Loans and Advances		
(i) FROM BANKS		
Loan against Property from HDFC BANK (Guaranteed by Directors) Secured by charge on personal Assets of Directors Repayable within one year ₹ 11,268,473/- (Previous year ₹ 11,635,902/-)	33,693,845	45,329,747
(ii) FROM OTHERS		
Security Deposits - Trade	51,035,383	45,299,131
PER BALANCE SHEET	<u>84,729,228</u>	<u>90,628,878</u>
SCHEDULE 5 - FIXED ASSETS		
Gross block	420,793,021	406,074,382
Less :- Depreciation (As per Separate Statement attached)	101,010,841	83,017,364
PER BALANCE SHEET	<u>319,782,180</u>	<u>323,057,018</u>

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2011

SCHEDULE - 5

Schedule of Fixed Assets for the year ended 31st March, 2011

(Amount in Rupees)

Sr No	Particulars	Gross Block				Depreciation Block					Net Block	
		Balance as on 31-Mar-10	Additions during the Year	Deductions During the Year	Balance as on 31-Mar-11	Balance as on 31-Mar-10	Provided during the Year	On Revaluations	Deductions during the Year	Total as on 31-Mar-11	As on 31-Mar-11	As on 31-Mar-10
1	Land	1,514,775	-	-	1,514,775	-	-	-	-	-	1,514,775	1,514,775
2	Factory Building	214,817,157	3,276,000	-	218,093,157	35,578,262	699,429	2,804,433	-	39,082,124	179,011,033	179,238,895
3	Residential Flat	350,000	-	-	350,000	75,962	5,705	-	-	81,667	268,333	274,038
4	Plant & Machinery	40,725,175	2,442,992	-	43,168,167	11,933,962	2,860,068	-	-	14,794,030	28,374,137	28,791,213
5	Electrical Installations	4,719,385	407,244	-	5,126,629	979,463	201,899	-	-	1,181,362	3,945,267	3,739,922
6	Laboratory Equipments	2,003,600	7,110	-	2,010,710	396,902	86,213	-	-	483,115	1,527,595	1,606,698
7	Office Equipments	2,945,953	1,251,844	-	4,197,797	1,206,187	194,590	-	-	1,400,777	2,797,020	1,739,766
8	Furniture & Fixtures	15,570,353	274,168	-	15,844,521	2,108,380	943,112	-	-	3,051,492	12,793,029	13,461,973
9	Air Conditioners	2,662,578	162,790	17,000	2,808,368	1,398,970	48,962	-	17,000	1,430,932	1,377,436	1,263,608
10	Computer	20,490,551	2,735,007	-	23,225,558	9,078,365	3,224,565	-	-	12,302,930	10,922,628	11,412,186
11	Vehicles	55,580,170	11,452,498	7,274,015	59,758,654	15,846,671	4,735,129	-	2,848,597	17,733,202	42,025,451	39,733,500
12	Commercial Vehicles	44,694,685	-	-	44,694,685	4,414,241	5,054,969	-	-	9,469,210	35,225,475	40,280,444
		406,074,382	22,009,654	7,291,015	420,793,021	83,017,365	18,054,641	2,804,433	2,865,597	101,010,841	319,782,180	323,057,017
	Previous Year ₹	357,655,066	55,089,431	6,670,115	406,074,382	66,961,073	15,983,598	2,804,433	2,731,738	83,017,364	323,057,018	290,693,994

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2011

Particulars	As at 31 March, 2011 Rupees	As at 31 March, 2010 Rupees
SCHEDULE 6 - CAPITAL WORK IN PROGRESS	170,683,965	157,277,529
PER BALANCE SHEET	170,683,965	157,277,529
SCHEDULE 7 - INVESTMENTS		
A. Investments in Government or Trust Securities (Unquoted)		
National Saving Certificates		
(Deposited with BMC for plot at Deonar, Mumbai, for S.S.I.	18,000	13,000
Registration deposited with Industrial Department, Hyderabad		
and Pesticides licence renewal at Rudrapur)		
B. Unquoted at Cost		
TRADE		
Investment in Subsidiaries		
a) In Shares of Aries Agro Care Pvt Ltd (Wholly Owned)		
10,000 Equity Shares of Rs 10/- each	100,000	100,000
b) In Shares of Aries Agro Equipments Pvt Ltd (Wholly Owned)		
10,000 Equity Shares of Rs 10/- each	100,000	100,000
c) In Shares of Golden Harvest Middle East FZC		
1) 1,125 Shares of AED 100/- each ₹ 1,227,375/- (Previous Year ₹ 1,227,375/-)	180,316,500	146,116,500
2) Shareholders Current A/c ₹ 179,089,125/- (Previous Year ₹ 144,889,125/-)		
d) In Shares of Aries Agro Produce Pvt Ltd		
7,500 Equity Shares of Rs 10/- each	75,000	75,000
PER BALANCE SHEET	180,609,500	146,404,500
SCHEDULE 8 - INVENTORIES		
(At lower of cost or Net Realisable Value)		
(As Certified and valued by the Management)		
Finished / Traded Goods	603,121,497	347,594,639
Finished / Traded Goods-in-Transit	-	2,826,250
Raw / Packing Materials	145,838,513	39,015,091
Packing materials	92,965,607	79,240,785
PER BALANCE SHEET	841,925,617	468,676,765
SCHEDULE 9 - SUNDRY DEBTORS		
Unsecured - Considered Good		
Outstanding for a period exceeding six months	178,851,421	223,373,411
Others	309,855,680	426,848,014
PER BALANCE SHEET	488,707,101	650,221,425
SCHEDULE 10 - CASH AND BANK BALANCES		
Cash on hand	21,291	49,309
With Scheduled Banks in Current Account	73,357,201	67,642,936
With Scheduled Banks in Fixed Deposit Accounts	328,989,751	11,280,241
PER BALANCE SHEET	402,368,243	78,972,486

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2011

Particulars	As at 31 March, 2011 Rupees	As at 31 March, 2010 Rupees
SCHEDULE 11 - LOANS AND ADVANCES		
<u>Unsecured - Considered Good</u>		
<u>Loans and Advances</u>		
Advances recoverable in cash or in kind or for value to be received		
- to Subsidiary Companies	349,971,612	259,724,114
- to Companies under management in which Directors are interested	8,667,800	21,340,152
- Advances to Suppliers	200,374,576	157,602,149
- Advances to Staff Against Expenses	7,727,195	3,937,911
- Advance Rent	-	37,375
- Advance for Factory Land - Ahmedabad	17,225,501	-
Staff Loans	1,193,211	598,113
Sundry Deposits	2,739,019	4,933,499
Imprest Advance for Vehicle Expenses	80,709	260,813
Tax Refunds	2,493,152	2,493,152
Interest Accrued but not Due	1,003,220	1,129,910
Advance Income Tax / Tax Deducted at Source	14,516,242	9,176,774
Other Advances	-	2,798,341
Pre-paid Expenses	3,138,794	2,050,386
PER BALANCE SHEET	609,131,030	466,082,690
SCHEDULE 12 - CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
(a) Sundry Creditors		
(i) For Goods	327,339,381	169,682,106
(ii) For Expenses	109,012,322	102,768,387
(b) Advances/Credits from Customers	12,534,964	26,244,657
(c) Due to Directors	6,923,673	6,091,503
(d) Interest Accrued but not Due	1,391,149	1,539,559
(e) Other Liabilities	250,000,000	-
	707,201,489	306,326,211
Provisions :		
For Gratuity	5,311,882	16,049,998
For Taxation		
Income Tax	70,000,000	54,782,175
Fringe Benefit Tax	103,748	103,748
Wealth Tax	500,000	500,000
Dividend Distribution Tax	2,159,858	3,239,790
	78,075,488	74,675,711
PER BALANCE SHEET	785,276,977	381,001,923

SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT

Particulars	Year Ended 31 March 2011 Rupees	Year Ended 31 March 2010 Rupees
SCHEDULE 13 - SALES		
Sales - Manufactured	1,035,870,906	946,404,909
Sales - Traded / Rebranded	546,704,035	451,056,364
	<u>1,582,574,941</u>	<u>1,397,461,273</u>
SCHEDULE 14 - OTHER INCOME		
Exchange Rate Fluctuation / Difference due to Translation	9,218,980	13,777,051
Interest Income	28,333,692	25,396,181
Misc. / Other Income	207,494	321,389
PER PROFIT AND LOSS ACCOUNT	<u>37,760,166</u>	<u>39,494,621</u>
SCHEDULE 15 - INCREASE / (DECREASE) IN STOCK		
Closing Stock of Finished Goods	282,908,436	133,279,773
Add : Closing Stock of Goods-in-Transit	-	2,826,250
Less : Opening Stock of Finished Goods	133,279,773	134,870,265
Less : Opening Stock of Goods in Transit	2,826,250	-
PER PROFIT AND LOSS ACCOUNT	<u>146,802,413</u>	<u>1,235,758</u>
SCHEDULE 16 - CONSUMPTION OF MATERIALS		
1) Opening Stock of Raw Materials	39,015,091	204,740,918
Add : Purchases	399,010,322	315,926,519
	438,025,413	520,667,437
Less : Closing Stock of Raw Materials	145,838,513	39,015,091
Raw Material Consumed	<u>292,186,900</u>	<u>481,652,346</u>
2) Opening Stock of Packing Materials	79,240,785	77,261,904
Add : Purchases	130,389,852	71,866,139
	209,630,637	149,128,043
Less : Closing Stock of Packing Materials	92,965,607	79,240,785
Packing Materials Consumed	<u>116,665,030</u>	<u>69,887,258</u>
3) Opening Stock Traded / Re-Branded Goods	214,314,866	86,695,849
Add : Purchases	422,293,277	187,695,811
	636,608,143	274,391,660
Less : Closing Stock of Traded / Re-Branded Goods	320,213,061	214,314,866
Products Traded	<u>316,395,082</u>	<u>60,076,794</u>
Consumption of Materials (1 + 2 + 3)	<u>725,247,012</u>	<u>611,616,397</u>

SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT

Particulars	Year Ended 31 March 2011 Rupees	Year Ended 31 March 2010 Rupees
SCHEDULE 17 - MANUFACTURING / DIRECT EXPENSES		
Analysis & Testing Charges	7,982	-
Consumables	9,538,758	4,555,534
Laboratory Expenses	155,136	191,718
Freight Inward	15,298,576	13,207,463
General Expenses - Factory	2,605,484	1,610,024
Power & Fuel	5,567,153	5,042,998
Processing Charges	11,530,307	7,117,917
Rent, Rates & Taxes - Factory & Godown	5,966,083	5,538,888
Repairs & Maintenance - Factory	3,839,738	1,310,346
Wages	24,755,415	21,926,307
PER PROFIT AND LOSS ACCOUNT	<u>79,264,631</u>	<u>60,501,195</u>
SCHEDULE 18 - PAYMENT TO & FOR EMPLOYEES		
Salary	91,688,691	76,922,839
Directors Remuneration	15,798,204	13,570,195
Allowances	11,881,270	7,143,057
Bonus	3,067,456	2,898,050
Funds/Contribution	17,517,485	12,560,570
Perks/Expenses	1,539,071	1,197,974
Staff Welfare Expenses	4,323,502	4,306,346
Training & Recruitment Expenses	1,234,715	510,211
PER PROFIT AND LOSS ACCOUNT	<u>147,050,395</u>	<u>119,109,242</u>
SCHEDULE 19 - ADMINISTRATION, SELLING & OTHER EXPENSES		
Selling Costs		
Advertisement & Publicity	37,659,584	32,219,262
Discount and Rebate	164,456,601	123,967,839
Freight & Delivery Expenses	93,183,755	66,659,521
Mobile Selling Expenses (KVV)	23,003,732	24,078,321
Selling Expenses	6,529,827	5,331,288
Travelling expenses	43,782,576	39,110,182
	<u>368,616,075</u>	<u>291,366,412</u>
Other Administration Expenses		
Auditors Remuneration	1,323,600	1,323,600
Conveyance & Motor Car Expenses	14,827,166	12,504,203
Electricity	628,816	565,469
Exchange Rate Fluctuation / Difference due to Translation	2,015,843	-
General Expenses - Office	3,373,558	2,881,057
Insurance Expenses	3,177,189	2,086,902
Legal & Professional Charges	7,133,917	4,515,106
Loss on Sale of Fixed Asset	1,593,917	2,042,277
Postage & Telephones	6,251,664	6,742,878
Printing & Stationary	8,649,736	9,569,719
Rent, Rates & Taxes	7,243,350	3,749,606
Repairs and Maintenance - Office	1,788,169	1,663,047
	<u>58,006,923</u>	<u>47,643,864</u>
PER PROFIT AND LOSS ACCOUNT	<u>426,622,998</u>	<u>339,010,276</u>

SCHEDULE: 20

Notes to Accounts

1. Significant Accounting Policies

A. Basis of Preparation

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

B. Use of Estimates

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

C. Fixed Assets and Depreciation

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

D. Investments

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

E. Inventory

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

F. Revenue Recognition

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

G. Employee Benefits

- Bonus is accounted on accrual basis
- Gratuity is covered under the group gratuity scheme of life insurance Corporation of India.
- All employees are eligible for benefit under provident fund (PF) scheme. Provident Fund @ 12% of basic salary plus dearness allowance, wherever applicable, is deducted and paid alongwith Company's contribution of an equal amount on a monthly basis to the government administered provident fund scheme and charged to profit and loss account.
- As per the policy of the company, only managerial staff is entitled to encash their Annual leave. The same is accounted for on cash basis. The liability is unascertainable.

H. Earning Per Share

Basic earning per Share is calculated by dividing the net profit or loss for the year attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the year.

I. Impairment of Assets

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

J. Foreign Currency Transactions

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

- b) Current assets and current liabilities involving transactions in foreign currency are converted at the exchange rates prevailing on the date of Balance Sheet. Any profit and loss arising out of such conversion is charged to profit and loss account.
- c) Non-monetary items i.e. investments are converted at the rate prevalent on the date of transaction.

2. Current Assets, Loans & Advances and Provisions

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

3. Gratuity

The Company has opted for Life Insurance Corporation of India's group gratuity scheme for its employees. The scheme offered by the Life Insurance Corporation of India permits the company for payment of arrears in five yearly installments commencing from 1st December, 2005. The total contribution payable including arrears as per life insurance corporation of india as on 31/03/11 is ₹ 33,881,684/-. During the year the company has paid ₹ 17,807,357/- (Previous year ₹ 3,879,534/-) towards gratuity fund. The unprovided liability as on 31/03/2011 is ₹ Nil/- (Previous year ₹ Nil). The details of contribution to gratuity fund are as under:

- a) Present value of obligations as on 31/03/2011 is ₹ 33,881,684/ (Previous Year ₹ 25,900,077/-).
- b) Fair value of plan assets as on 31/03/2011 is ₹ 26,826,802/- (Previous Year ₹ 9,850,079/-).
- c) Provisions made (fully) as on 31/03/2011 is ₹ 7,054,882/- (Previous Year ₹ 16,049,998/-).

4. Contingent Liability not provided for in the accounts:

- a) Letters of credit / guarantees given to Banks ₹ 5,715.01 lakhs
- b) Bills discounting with Banks ₹ 2,214.05 lakhs
- c) Claims against company not acknowledged as debts ₹ 86.50 lakhs which includes tax dues disputed as ₹ 5.12 lakhs towards sales Tax, ₹ 54.56 lakhs towards Income Tax and includes ₹ 25.73 lakhs pertaining to pending suits regarding quality issue.
- d) The Commissioners of Central Excise, Mumbai and Hyderabad has issued Show Cause-Cum-Demand Notices for levy of Excise Duty on clearances of Micronutrients. The Commissioner of Central Excise, Mumbai, vide his Order dated 27th November, 2006 and Commissioner of Central Excise, Hyderabad, vide his Order dated 30th November 2005 had cancelled these demands in respect of clearance upto June, 2006. The Department has preferred appeals against the said orders. The Department has issued Show Cause Notices to the Company in respect of clearances thereafter. Though, in view of the Orders referred to above and the pending appeals, no action has been taken. The Company expects no liability in this regard.
- e) Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of Advances) is Rs 140 Lacs.

5. Income Tax

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

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

6. Deferred Tax: Accounting Standard - 22

	Particulars	Year Ended 31 st March 2011	Year Ended 31 st March 2010
1	As on 1st April, 2010		
A	Deferred Tax Liability on account of depreciation	14,883,932	4,575,005
B	Deferred Tax Asset	NIL	NIL
		14,883,932	4,575,005
2	Deferred Tax Liability / (Assets) as on 31st Mar, 2011.		
A	Deferred Tax Liability on account of depreciation	24,113,531	21,690,767
B	Deferred Tax Asset On account of issue expenses w/off	(3,326,317)	(6,806,835)
C	Deferred Tax Liability / (Asset)	20,787,214	14,883,932
	Deferred Tax Liability / (Asset) Debited to Profit & Loss A/c.	5,903,282	10,308,927

Assumption:

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

7. Earnings per Share

Particulars	Year Ended 31 st March 2011	Year Ended 31 st March 2010
Net Profit after tax as per Profit & Loss Account attributable to Equity Shareholders	143,818,426	111,409,551
Net Profit before exceptional items	147,180,092	125,603,473
Weighted Average number of Equity Shares used as denominator for calculating EPS	13,004,339	13,004,339
Basic & Diluted Earning per Share (₹)	11.06	8.57
Basic & Diluted Earning before exceptional items per Share (₹)	11.32	9.66
Face Value per Equity Share	10	10

8. Segmental Reporting as per Accounting Standard - 17

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

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

PART – A			
Details of Related Parties as per AS – 18			
Nature of Relationship	Name of Related Party	Remarks	
Subsidiary	Aries Agro Care Pvt. Ltd.	Date of Incorporation 5th January 2007	
	Aries Agro Equipments Pvt. Ltd.	Date of Incorporation 12th January 2007	
	Aries Agro Produce Pvt. Ltd.	Date of Incorporation 20th June 2008	
	Golden Harvest Middle East FZC	Date of Incorporation 31 st October 2004	
	Amarak Chemicals FZC	Step down Subsidiary Date of Incorporation 9 th September, 2007	
Enterprises over which the key Management Persons has Significant Influence or Control	Aries Marketing Ltd.		
	Blossoms International Ltd.		
	Sreeni Agro Chemicals Pvt.Ltd.		
	Aries East West Nutrients Pvt.Ltd.		
Key Management Personnel	Dr. Jimmy Mirchandani	Chairman & Managing Director	
	Dr. Rahul Mirchandani	Executive Director	
	Mr. Akshay Mirchandani	Director	
Relatives of Key Management Personnel	Name of Key Management Person	Name of Relative	Relationship
	Dr. Jimmy Mirchandani	Mrs. Sarasa Mirchandani	Spouse
		Mr. Akshay Mirchandani	Son
		Mr. Amol Mirchandani	Son
		Dr. Rahul Mirchandani	Brother
	Dr. Rahul Mirchandani	Mrs. Nitya Mirchandani	Spouse
		Master Armaan Mirchandani	Son
		Dr. Jimmy Mirchandani	Brother
	Mr. Akshay Mirchandani	Mrs. Aparna Mirchandani	Spouse
		Dr. Jimmy Mirchandani	Father
		Mrs. Sarasa Mirchandani	Mother
		Mr. Amol Mirchandani	Brother
Enterprises in which the key Management Persons have total control	Mirabelle International	Prop. Dr. Jimmy Mirchandani	

Part – B				
Details of Transactions with Related Parties				
Sr. No.	Category	Nature of Service	Year Ended 31st March 2011	Year Ended 31st March 2010
1	Subsidiary	Finance – Loans/Payments Given	90,338,016	16,392,431
		Finance – Loans/Payments Received	26,604,911	15,780,623
		Finance Equity – Share application money paid	34,200,000	80,656,500
		Sale of Goods	105,088,725	53,597,213
		Purchased made	137,226,457	102,612,951
		Receipts from sale of goods	77,363,785	5,585,772
		Payments (Net of receipts) for goods	147,247,404	127,704,026
		Interet on Loan	7,226,243	13,541,989
2	Enterprise over which key management personnel has significant influence or control	Finance - Loans/Payment given	5,000,000	5,003,349
		Finance – Loans/Payments Received	17,672,352	-
		Sales	21,915,708	-
		Purchases	20,475,000	-
		Receipts from sale of goods	19,915,000	-
		Payments (Net of receipts) for goods	17,393,216	-
3	Key Management Personnel	Finance – Unsecured loans received	30,500,000	9,500,000
		Finance – Unsecured loans repaid	30,500,000	11,200,000
		Directors remuneration paid	15,473,204	13,367,695
4	Enterprises belonging to Key Management Personnel	Finance – Loans/Payments Received	2,157,138	-

Part – C				
Balance outstanding with related Parties.				
Nature of outstanding	Category	Name of the Party	Year Ended 31st March 2011	Year Ended 31st March 2010
Loans and Advances	Subsidiary	Aries Agro Care Pvt Ltd	10,352,223	12,204,327
		Aries Agro Equipments Pvt Ltd	9,220,706	11,338,644
		Aries Agro Produce Pvt Ltd	130,460	129,460
		Golden Harvest Middle East FZC	272,870,757	236,051,682
		Amarak Chemicals FZC	57,397,466	-
Creditors for Goods		Golden Harvest Middle East FZC	-	14,439,588
		Aries Agro Care Pvt Ltd	2,072,589	-
		Aries Agro Equipments Pvt Ltd	107,815	-
Share Application Money		Golden Harvest Middle East FZC	180,316,500	146,116,500
Sundry Debtors		Golden Harvest Middle East FZC	48,775,613	42,657,196
		Aries Agro Equipments Pvt Ltd	1,679	-
Sundry Debtors		Enterprise over which key management personnel has significant influence or control	Aries Marketing Ltd	4,168,264
	Sreeni Agro Chemicals Pvt Ltd		2,000,708	-
Sundry Creditors	Sreeni Agro Chemicals Pvt Ltd		3,081,784	-
Loans and Advances	Aries East West Nutrients Pvt Ltd		4,499,536	4,499,536
Due to Directors	Dr. Jimmy Mirchandani		3,650,653	3,035,200
	Dr. Rahul Mirchandani		3,273,020	3,056,303
Loans and Advances	Enterprises in which the key Management Persons have total control	Mirabelle International	-	2,157,138

10. Remuneration to Directors

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

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

Particulars	Year Ended 31 st March 2011	Year Ended 31 st March 2010
Salaries and Allowances	9,240,004	7,259,895
Contribution to P. F.	763,200	607,800
Commission payable to Directors	6,000,000	5,500,000

(Net profit as determined u/s 349 of Companies Act, 1956 is ₹ 2,311.77 Lacs)

11. Auditors Remuneration

Particulars	Year Ended 31 st March 2011	Year Ended 31 st March 2010
a. Statutory Audit fees	1,147,120	1,147,120
b. Tax Audit fees	176,480	220,600
c. Taxation Matters	44,120	58,708
d. Certification	-	-

12. Foreign Exchange Earnings & Outgo:

Earnings in Foreign Exchange	Year Ended 31 st March 2011	Year Ended 31 st March 2010
F.O.B. Value of export sales	77,280,434	41,495,891

Expenditure in Foreign Exchange	Year Ended 31 st March 2011	Year Ended 31 st March 2010
CIF value of Imports	420,941,818	218,190,118
Foreign Traveling Expenses	3,923,687	2,966,889
Remittance towards Share Application Money to Golden Harvest Middle East FZC	34,200,000	80,656,500

13. Micro and Small Scale Business Entities

There are no micro and small Enterprises to whom company owes dues, which are outstanding for more than 45 days as at 31st March, 2011. This Information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

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

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

Licensed Capacity : Not Applicable
 Installed Capacity : 84,600 Metric Tonnes
 (84,600 Metric Tonnes)

(B) Actual Production : 39,577 Metric Tonnes
 (35,647 Metric Tonnes)

(C) Quantitative and Turnover information

Particulars	OPENING STOCK		PRODUCTION	Purchase of Traded Goods		CLOSING STOCK		TURNOVER	
	Quantity Kgs.	Value ₹	Quantity Kgs.	Quantity Kgs.	Value ₹	Quantity Kgs.	Value ₹	Quantity Kgs.	Value ₹
Agricultural Micro Nutrient & Speciality Fertilizers									
Manufactured	1,797,824 (1,901,586)	122,527,006 (130,430,850)	39,257,257 (35,242,439)	-	-	4,698,927 (1,797,824)	273,183,626 (122,527,006)	36,356,155 (35,346,201)	903,141,153 (838,472,107)
Traded/Rebranded	2,802,311 (2,028,585)	177,965,652 (77,147,101)	-	9,781,249 (5,434,280)	218,658,237 (111,069,728)	6,461,171 (2,802,311)	287,273,919 (17,79,65,652)	6,122,389 (4,660,554)	325,219,728 (331,089,103)
Insecticides & Pesticides									
Manufactured	54,912 (73,364)	12,234,102 (3,844,813)	187,428 (175,500)	-	-	36,410 (54,912)	8,240,012 (12,234,102)	205,930 (193,952)	128,168,721 (105,247,425)
Traded/Rebranded	156,907 (25,278)	34,842,624 (9,548,748)	-	223,005 (230,522)	79,013,624 (61,896,888)	133,925 (156,907)	29,250,068 (34,842,624)	245,987 (98,893)	94,529,002 (64,074,534)
Animal Feed & Feed Concentrates	1,347,18 (24,080)	1,344,915 (594,602)	132,230 (228,837)	-	-	53,580 (134,718)	1,484,798 (1,344,915)	213,368 (118,199)	4,561,032 (2,685,377)
Others	49,074 -	1,506,590 -	-	551,544 (396,592)	124,621,416 (14,729,195)	61,909 (49,074)	3,689,074 (1,506,590)	538,709 (347,518)	126,955,305 (55,892,727)
Total	4,995,746 (4,052,893)	350,420,889 (221,566,114)	39,576,915 (35,646,776)	10,555,798 (6,061,394)	422,293,277 (187,695,811)	11,445,922 (4,995,746)	603,121,497 (350,420,889)	43,682,538 (40,765,317)	1,582,574,941 (1,397,461,273)

(Figures in bracket relate to previous year)

(D) Consumption of Raw Materials

Description	Consumption (in kgs)	Value in ₹
Inorganic Minerals	36,766,433 (33,962,731)	134,648,207 (316,473,829)
Organic Minerals	3,500,454 (2,548,090)	157,538,693 (165,178,518)
Total	40,266,887 (36,510,821)	292,186,900 (481,652,347)

(Figures in bracket relate to previous year)

Value of Imported and Indigenous materials consumed during the period.

Sr. No.	Particulars	Year Ended 31 st March 2011		Year Ended 31 st March 2010	
		₹	%	₹	%
a)	Imported	200,249,262	68.53	175,786,815	36.50
b)	Indigenous	91,937,638	31.47	305,865,532	63.50
	Total	292,186,900	100.00	481,652,346	100.00

Value of Imported and Indigenous materials traded during the year

Sr. No.	Particulars	Year Ended 31 st March 2011		Year Ended 31 st March 2010	
		₹	%	₹	%
a)	Imported	160,029,476	50.58	49,824,506	82.93
b)	Indigenous	156,365,606	49.42	10,252,288	17.07
	Total	316,395,082	100.00	60,076,794	100.00

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

16. Management Fees receivables on management of Farmer's Loan from HDFC Bank will be accounted for on raising of invoices / accrual basis.

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

Name of the Party	Amount ₹
Golden Harvest Middle East (Balance as on 31/03/2011)	48,775,613
Maximum balance outstanding during the year	51,001,179
Aries Agro Equipments Pvt. Ltd. (Balance as on 31/03/2011)	1,679
Maximum balance outstanding during the year	4,984,209
Sreeni Agro Chemicals Pvt. Ltd. (Balance as on 31/03/2011)	2,000,708
Maximum balance outstanding during the year	16,370,998

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

Sr. No.	Name of the Party	Amount ₹
1	Aries East West Nutrients Private Limited (Balance as on 31/03/2011)	4,499,536
	Maximum balance outstanding during the year	4,499,536
2	Aries Marketing Limited (Balance as on 31/03/2011)	4,168,264
	Maximum balance outstanding during the year	21,840,616
3	Mirabelle International (Balance as on 31/03/2011)	Nil
	Maximum balance outstanding during the year	2,157,138
4	Aries Agro Equipments Pvt Ltd (Balance as on 31/03/2011)	9,220,706
	Maximum Balance outstanding during the year	11,958,732
5	Aries Agro Care Pvt Ltd (Balance as on 31/03/2011)	10,352,223
	Maximum Balance outstanding during the year	13,205,723
6	Aries Agro Produce Pvt Ltd (Balance as on 31/03/2011)	130,460
	Maximum Balance outstanding during the year	130,460
7	Golden Harvest Middle East (Balance as on 31/03/2011)	272,870,757
	Maximum Balance outstanding during the year	285,133,347
8	Amarak Chemicals FZC (Balance as on 31/03/2011)	57,397,466
	Maximum Balance outstanding during the year	61,400,527

19. Loans & Advances includes the Custom Duty Refund awaited ₹ 2,493,152/-.

20. Margin for Bank Guarantees includes 295,000/- being the amount of Fixed Deposits for issue of Bank Guarantees on behalf of Subsidiaries / Associates.

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

As per our report of even date

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

Kirti D Shah
Proprietor
Membership No 32371

Place : Mumbai.
Date : 10th August, 2011

For and on behalf of the Board

Dr. Jimmy Mirchandani
Chairman & Managing Director

Dr. Rahul Mirchandani
Executive Director

Mr. S Ramamurthy
Chief Financial Officer

Dr. D S Jadhav
Director

Mr. Akshay Mirchandani
Director

Mr. Qaiser P. Ansari
Company Secretary

Prof R S S Mani
Director

Mr. C. B. Chhaya
Director

Additional Information as required under Part IV of Schedule VI of the Companies Act, 1956

I Registration Details

Registration No. : U 9 9 9 9 9 M H 1 9 6 9 P L C 0 1 4 4 6 5
 State Code : 1 1 Balance Sheet Date : 3 1 0 3 2 0 1 1

II Capital Raised during the year

Public Issue : N I L Rights Issue : N I L
 Bonus Issue : N I L Private Placement : N I L

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

Total Liabilities : 3 0 1 3 2 . 0 8 Total Assets : 3 0 1 3 2 . 0 8
Sources of Funds
 Paid-up Capital : 1 3 0 0 . 4 3 Reserves & Surplus : 1 0 4 5 0 . 8 1
 Secured Loans : 9 4 7 2 . 9 0 Unsecured Loans : 8 4 7 . 2 9
 Net Deferred Tax Liability : 2 0 7 . 8 7
Application of Funds
 Net Fixed Assets : 3 1 9 7 . 8 2 Capital Work in Progress : 1 7 0 6 . 8 3
 Investments : 1 8 0 6 . 1 0 Net Current Assets : 1 5 5 6 8 . 5 5
 Miscellaneous Expenditure : N I L

IV Performance of the Company (Rupees in Lacs)

Turnover : 1 7 4 4 4 . 1 8 Total Expenditure : 1 5 2 0 8 . 3 4
 Profit Before Tax : 2 2 3 5 . 8 4 Profit After Tax : 1 4 7 1 . 8 0
 Earnings Per Share : 1 1 . 3 2 Dividend Rate % : 2 0 . 0 0

V Generic Names of Principal Products

Item Code No. (ITC Code) : 3 1 0 5 0 0	Item Code No. (ITC Code) : 3 8 0 8 1 0
Product Description : Micronutrient Fertilizers	Product Description : Insecticides & Pesticides
Item Code No. (ITC Code) : 2 3 0 2 0 0	Item Code No. (ITC Code) : 2 5 0 3 . 0 0 9 0
Product Description : Feed Supplements	Product Description : Other Plant Nutrients
Item Code No. (ITC Code) : 2 5 2 8 . 9 0 2 0	Item Code No. (ITC Code) : 2 8 1 7 . 0 0 1 0
Product Description : Other Plant Nutrients	Product Description : Other Plant Nutrients
Item Code No. (ITC Code) : 2 8 2 1 . 5 9 9 0	Item Code No. (ITC Code) : 2 8 2 7 . 3 9 9 0
Product Description : Other Plant Nutrients	Product Description : Other Plant Nutrients
Item Code No. (ITC Code) : 2 8 3 3 . 2 9 9 0	Item Code No. (ITC Code) : 2 8 4 0 . 1 9 0 0
Product Description : Other Plant Nutrients	Product Description : Other Plant Nutrients
Item Code No. (ITC Code) : 0 8 4 2 4 8 1 0 0	
Product Description : Appliances for Agricultural or Horticultural Use	

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 : 10th August, 2011

For and on behalf of the Board

Dr. Jimmy Mirchandani
 Chairman & Managing Director

Dr. Rahul Mirchandani
 Executive Director

Mr. S Ramamurthy
 Chief Financial Officer

Dr. D S Jadhav
 Director

Mr. Akshay Mirchandani
 Director

Mr. Qaiser P. Ansari
 Company Secretary

Prof R S S Mani
 Director

Mr. C. B. Chhaya
 Director

Statement Pursuant to Section 212 of the Companies Act

(Rupees in Lakhs)

Name of the Subsidiary Company	Financial Year ended of the Subsidiary	No. of Equity Shares Held	Extent of Holding	For Financial Year of the Subsidiary		For the Previous Financial Years since it became a Subsidiary	
1	2	3	4	5	6	7	8
				Profit / (Losses) so far it concerns the Members of the Holding Company and not dealt with in the books of account of the Holding Company (except to the extent dealt with in col. 6)	Profit / (Losses) so far it concerns the Members of the Holding Company and dealt with in the books of account of the Holding Company .	Profit / (Losses) so far it concerns the Members of the Holding Company and not dealt with in the books of account of the Holding Company (except to the extent dealt with in col. 8)	Profit / (Losses) so far it concerns the Members of the Holding Company and dealt with in the books of account of the Holding Company .
Aries Agro Care Pvt. Ltd.	31st March, 2011	10,000	100%	(8.47)	Nil	(0.49)	Nil
Aries Agro Equipments Pvt. Ltd.	31st March, 2011	10,000	100%	41.80	Nil	13.06	Nil
Golden Harvest Middle East FZC	31st March, 2011	1,125	75%	405.70	Nil	743.76	Nil
Aries Agro Produce Pvt. Ltd.	31st March, 2011	7,500	75%	Nil	Nil	Nil	Nil
Amarak Chemicals FZC	31st March, 2011	15,000 by Golden Harvest Middle East FZC	75%	Step Down Subsidiary			

As per our report of even date

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

Kirti D Shah
Proprietor
Membership No 32371

Place : Mumbai.
Date : 10th August, 2011

For and on behalf of the Board

Dr. Jimmy Mirchandani
Chairman & Managing Director

Dr. Rahul Mirchandani
Executive Director

Mr. S Ramamurthy
Chief Financial Officer

Dr. D S Jadhav
Director

Mr. Akshay Mirchandani
Director

Mr. Qaiser P. Ansari
Company Secretary

Prof R S S Mani
Director

Mr. C. B. Chhaya
Director

AUDIT REPORT TO THE SHARE HOLDERS OF ARIES AGRO LIMITED

- i. We have audited the attached Consolidated Balance sheet of **ARIES AGRO LIMITED (The Company)** and its subsidiaries / step down subsidiaries, **ARIES AGRO CARE PVT. LTD., ARIES AGRO EQUIPMENTS PVT. LTD., ARIES AGRO PRODUCE PVT. LTD., GOLDEN HARVEST MIDDLE EAST FZC** and **AMARAK CHEMICALS FZC** (Subsidiary Company of GOLDEN HARVEST MIDDLE EAST FZC) collectively referred to as the “**ARIES GROUP**” or “**The Group**” as at 31st March, 2011 and also the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement of THE GROUP for the period ended on that date annexed thereto. These financial statements are responsibility of the ARIES GROUP management and have been prepared by the management on the basis of separate financial statements and other financial information. Our responsibility is to express an opinion on these financial statements based on our audit.
- ii. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes
- examining, on a test basis, evidence to support the financial statement amounts and disclosures in the financial statement
 - assessing the accounting principles used in the preparation of financial statements
 - assessing significant estimates made by the management in the preparation of the financial statements and
 - evaluating overall financial statement presentation.
- We believe that our audit provides a reasonable basis for our opinion.
- iii. We did not audit the financial statements of the subsidiary company **GOLDEN HARVEST MIDDLE EAST FZC** and Step down Subsidiary **AMARAK CHEMICAL FZC**, whose financial statements reflect total assets of AED 82,705,203 as at 31st March 2011, the total revenue of AED 34,428,249 and cash flows amounting to AED 668,433 for the period then ended. These financial statements and other financial information have been audited by other auditors whose report has been furnished to us, and our opinion is based solely on the report of other auditors.
- iv. We report that the consolidated financial statements have been prepared by the ARIES GROUP management in accordance with the requirement of Accounting Standards (AS) 21, Consolidated Financial Statements and Accounting Standards (AS) 23, Accounting For Investments in Associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
- v. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
- in the case of the Consolidated Balance Sheet, of the state of affairs of the “**ARIES GROUP**” as at 31st March, 2011, and
 - in the case of the Consolidated Profit and Loss Account, of the profit for the period ended on that date.
 - in the case of the Consolidated Cash Flow Statement, of the cash flows for the period ended on that date.

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

Kirti D. Shah
Proprietor
Membership No. 32371

Place: Mumbai
Date:- 10th August, 2011

Consolidated Balance Sheet as at 31st March, 2011

Particulars	Schedule No.	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
I. SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
(a) Share Capital	1	130,043,390	130,043,390
(b) Reserves and Surplus	2	1,164,273,435	1,006,029,335
		<u>1,294,316,825</u>	<u>1,136,072,725</u>
MINORITY INTEREST	3		
(a) Equity		111,408,713	24,517,061
(b) Non - Equity		35,245,736	25,021,774
		<u>146,654,449</u>	<u>49,538,835</u>
LOAN FUNDS			
(a) Secured Loans	4	950,911,857	787,093,231
(b) Unsecured Loans	5	222,312,304	90,628,878
		<u>1,173,224,161</u>	<u>877,722,109</u>
DEFERRED TAX LIABILITY / (ASSET)		20,408,385	14,883,932
TOTAL		<u>2,634,603,820</u>	<u>2,078,217,600</u>
II. APPLICATION OF FUNDS			
FIXED ASSETS			
INTANGIBLE ASSETS			
(a) Goodwill	6	12,044,014	-
TANGIBLE ASSETS			
(b) Gross Block		1,029,765,834	490,401,757
(c) Less :- Depreciation		124,707,490	94,218,318
(d) Net Block		<u>905,058,344</u>	<u>396,183,439</u>
		<u>917,102,358</u>	<u>396,183,439</u>
CAPITAL WORK IN PROGRESS	7	171,373,270	157,277,529
INVESTMENTS	8	14,600,400	14,708,236
CURRENT ASSETS, LOANS & ADVANCES			
(a) Inventories	9	1,083,755,496	558,983,802
(b) Sundry Debtors	10	552,660,186	662,206,610
(c) Cash & Bank Balances	11	411,810,857	82,757,708
(d) Loans and Advances	12	310,861,038	577,798,033
		<u>2,359,087,576</u>	<u>1,881,746,153</u>
Less: CURRENT LIABILITIES AND PROVISIONS			
(a) Current Liabilities	13	748,900,264	300,094,287
(b) Provisions		81,680,191	75,648,386
		<u>830,580,455</u>	<u>375,742,673</u>
NET CURRENT ASSETS		<u>1,528,507,122</u>	<u>1,506,003,479</u>
MISCELLANEOUS EXPENDITURE	14	3,020,671	4,044,916
Pre-Operative Expenses (To the extent not written off or adjusted)			
TOTAL		<u>2,634,603,820</u>	<u>2,078,217,600</u>
NOTES TO THE ACCOUNTS	22		

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 : 10th August, 2011

For and on behalf of the Board

Dr. Jimmy Mirchandani
Chairman & Managing Director

Dr. Rahul Mirchandani
Executive Director

Mr. S Ramamurthy
Chief Financial Officer

Dr. D S Jadhav
Director

Mr. Akshay Mirchandani
Director

Mr. Qaiser P. Ansari
Company Secretary

Prof R S S Mani
Director

Mr. C. B. Chhaya
Director

Consolidated Profit and Loss Account for the year ended 31st March, 2011

Particulars	Schedule No.	Year Ended 31st March, 2011 Rupees	Year Ended 31st March, 2010 Rupees
I. INCOME			
(a) Sales	15	1,800,466,457	1,524,400,662
Less:- Excise Duty		22,719,436	15,796,378
		<u>1,777,747,021</u>	<u>1,508,604,284</u>
(b) Other Income	16	31,185,983	30,495,548
(c) Increase/(Decrease) in stock	17	278,744,262	24,285,903
Total Revenue		<u>2,087,677,266</u>	<u>1,563,385,735</u>
II. EXPENDITURE			
(a) Consumption of materials	18	921,388,675	678,528,408
(b) Manufacturing / Direct Expenses	19	134,210,815	72,980,986
(c) Interest and Financial charges		122,831,173	80,134,009
(d) Payment to & for Employees	20	155,240,649	122,451,527
(e) Administration & Other Expenses	21	442,258,103	346,142,639
(f) Amortisations		1,036,275	1,031,276
(g) Depreciation		30,451,045	23,558,987
		<u>1,807,416,735</u>	<u>1,324,827,832</u>
III. Profit Before Tax (PBT)		280,260,530	238,557,903
IV. Provision for Taxation			
(i) Income tax			
Current Tax		72,050,000	53,695,000
Deferred Tax		5,524,453	10,539,877
(ii) Wealth tax		500,000	500,000
		<u>78,074,453</u>	<u>64,734,877</u>
V. Profit After Tax (PAT)		202,186,077	173,823,026
Less :- Share of Profit transferred to Minority Interest		16,297,880	11,458,758
VI. Profit After Tax (After adjustment for Minority Interest)		185,888,197	162,364,268
Less :- Prior Period Expenses		-	13,211,626
Less :- Short Provision for Tax in Earlier Years		3,409,409	982,296
VII. Balance brought forward from Previous Year		394,951,219	295,141,549
VIII. Amount available for Appropriations		577,430,007	443,311,895
IX. Appropriations			
Transfer to General Reserve		20,000,000	15,000,000
Proposed Dividend		13,004,339	19,506,509
Interim Dividend Paid		13,004,339	-
Dividend Distribution Tax		4,319,716	3,239,790
X. Balance carried to Balance Sheet		<u>527,101,613</u>	<u>405,565,596</u>
Basic & Diluted earnings before exceptional items per share		<u>14.29</u>	<u>12.49</u>
face value of ₹ 10/- each			
Basic & Diluted earnings after exceptional items per share		14.03	11.39
face value of ₹ 10/- each			
NOTES TO THE ACCOUNTS	22		

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 : 10th August, 2011

For and on behalf of the Board

Dr. Jimmy Mirchandani
Chairman & Managing Director

Dr. Rahul Mirchandani
Executive Director

Mr. S Ramamurthy
Chief Financial Officer

Dr. D S Jadhav
Director

Mr. Akshay Mirchandani
Director

Mr. Qaiser P. Ansari
Company Secretary

Prof R S S Mani
Director

Mr. C. B. Chhaya
Director

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2011

		Rupees in Lacs
Particulars	Year Ended 31-Mar-11	Year Ended 31-Mar-10
A) Cash Flow from Operating Activities :-		
Net Profit Before Tax and Extraordinary Items	2,802.61	2,385.58
Adjustments for :-		
Depreciation	304.51	235.59
Proposed Dividend / Dividend Distribution Tax	303.28	(227.46)
Miscellaneous Expenses Written Off	10.36	10.31
Prior Period Taxes	(34.09)	(9.82)
Prior Period Expenses	-	(132.12)
Interest / Dividend being income from Investing Activities	(212.02)	(154.17)
Interest Expense being Cash Flow for Financing Activities	1,228.31	801.34
(Profit)/Loss on sale of Fixed Assets being Cash Flow on a/c of Investing Activities	18.81	20.42
Difference due to difference in Rates of Exchange	160.72	(154.08)
Cash Flows from Operations before Working Capital Changes	4,582.49	2,775.59
Adjustments for :-		
(Increase) / Decrease in Inventories	(5,247.72)	(144.61)
(Increase) / Decrease in Trade Receivables	1,095.46	(1,006.82)
(Increase) / Decrease in Loans & Advances	2,669.37	(1,797.54)
Increase / (Decrease) in Current Liabilities and Provisions	4,548.38	526.13
Cash Flow from Operating Activities	7,647.98	352.75
Taxes Paid	(725.50)	(541.95)
Net Cash Flow from Operating Activities	6,922.48	(189.20)
B) Cash Flow from Investing Activities :-		
Purchase of Fixed Assets, Capital Work In Progress & Advances on Capital A/c	(5,599.00)	(257.23)
Increase in Investments incl. Share Application Money	-	19.27
Proceeds on Sale of Fixed Assets	28.32	18.96
Interest Received	212.02	154.17
Net Cash Flow in Investing Activities	(5,358.66)	(64.82)
C) Cash Flow from Financing Activities :-		
Increase / (Decrease) in Borrowings	2,955.02	1,725.36
Interest Paid	(1,228.31)	(801.34)
Net Cash Flow from Financing Activities	1,726.71	924.02
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	3,290.53	670.00
Cash & Cash Equivalents as at 1st April	827.58	157.58
Cash & Cash Equivalents as at 31st March as per Schedule 11	4,118.11	827.58

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 : 10th August, 2011

For and on behalf of the Board

Dr. Jimmy Mirchandani
Chairman & Managing Director

Dr. Rahul Mirchandani
Executive Director

Mr. S Ramamurthy
Chief Financial Officer

Dr. D S Jadhav
Director

Mr. Akshay Mirchandani
Director

Mr. Qaiser P. Ansari
Company Secretary

Prof R S S Mani
Director

Mr. C. B. Chhaya
Director

SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET

Particulars	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SCHEDULE 1 - SHARE CAPITAL		
Authorised		
15,000,000 (Previous year 15,000,000) Equity shares of ₹ 10/- each	150,000,000	150,000,000
	<u>150,000,000</u>	<u>150,000,000</u>
Issued, Subscribed and Paidup		
13,004,339 Equity Shares of ₹ 10/- each.	130,043,390	130,043,390
Of the above Shares:		
(i) 6,600,700 Equity Shares of ₹ 10/- each were allotted as fully paid-up Bonus Shares by capitalisation of ₹ 4.90 Crores from Revaluation Reserve, ₹ 0.91 Crores from Securities Premium Account and ₹ 0.79 Crores from Profit and Loss Account.		
PER BALANCE SHEET	<u>130,043,390</u>	<u>130,043,390</u>
SCHEDULE 2 - RESERVES AND SURPLUS		
CAPITAL RESERVE		
(Created on acquisition of Stake in Golden Harvest middle East FZC)	565,681	565,681
	<u>565,681</u>	<u>565,681</u>
FOREIGN CURRENCY TRANSLATION RESERVE		
Consolidation Difference	13,508,956	(5,224,374)
	<u>13,508,956</u>	<u>(5,224,374)</u>
LEGAL RESERVE		
Balance b/f	1,038,917	-
Add : Transfer to Minority Interest	(259,729)	-
	<u>779,188</u>	<u>-</u>
GENERAL RESERVES		
Balance b/f	32,956,310	17,956,310
Add : Transfer from Profit & Loss A/c	20,000,000	15,000,000
	<u>52,956,310</u>	<u>32,956,310</u>
SHARE PREMIUM		
Balance b/f	490,037,050	490,037,050
	<u>490,037,050</u>	<u>490,037,050</u>
REVALUATION RESERVE		
Balance b/f	82,129,072	84,933,505
Less : Depreciation on Revalued assets	2,804,433	2,804,433
	<u>79,324,639</u>	<u>82,129,072</u>
PROFIT & LOSS ACCOUNT (as per annexed a/c)	527,101,612	405,565,596
	<u>527,101,612</u>	<u>405,565,596</u>
PER BALANCE SHEET	<u>1,164,273,435</u>	<u>1,006,029,335</u>
SCHEDULE 3 - MINORITY INTEREST		
a) Minority Interest in Equity	111,408,713	24,517,061
b) Minority Interest in Non-Equity	35,245,736	25,021,774
PER BALANCE SHEET	<u>146,654,449</u>	<u>49,538,835</u>

SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET

Particulars	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SCHEDULE 4 - SECURED LOANS		
Term Loans		
FROM BANKS	28,781,215	29,193,633
(Against charge created on Company's Asset i.e.Motor vehicles) Repayable within one year ₹ 13,382,661/- (Previous year ₹ 15,304,279/-)		
FROM BANKS - ICICI BANK BAHRAIN	227,635,952	239,005,728
(Foreign Currency Loan - Secured against Equitable Mortgage of Land and Building and personal guarantee of Directors) Repayable within one year ₹ 31,153,554/- (Previous year ₹ 9,589,736/-)		
FROM COMPANY	212,784	295,152
(Against charge created on Company's Asset i.e.Motor vehicles) Repayable within one year ₹ 61,562/- (Previous year ₹ 53,715/-)		
Buyers Credits / Cash Credits / Working Capital Demand Loan (WCDL)		
FROM BANKS		
HDFC BANK - BUYERS CREDIT	118,122,726	30,290,823
(Against charge created on Company's Inventory, Book Debts and Plant & Machinery and guaranteed by Directors)		
ICICI BANK - BUYERS CREDIT	38,862,236	38,281,591
(Against charge created on Company's Inventory, Book Debts and Plant & Machinery and guaranteed by Directors)		
ICICI BANK - CASH CREDIT	64,378,975	119,635,438
(Against charge created on Company's Inventory, Book Debts and Plant & Machinery and guaranteed by Directors)		
CANARA BANK - CASH CREDIT	193,864,472	135,394,748
(Against charge created on Company's Inventory, Book Debts and Plant & Machinery and guaranteed by Directors)		
Working Capital Demand Loan (WCDL)		
AXIS BANK - WCDL	151,553,496	-
(Against charge created on Company's Inventory, Book Debts and Plant & Machinery and guaranteed by Directors)		
Repayable within one year ₹ 151,553,496/- (Previous year ₹ Nil/-)		
HDFC BANK - WCDL	100,000,000	100,000,000
(Against charge created on Company's Inventory, Book Debts and Plant & Machinery and guaranteed by Directors) Repayable within one year ₹ 100,000,000/- (Previous year ₹ 100,000,000/-)		
YES BANK - WCDL	27,500,000	94,996,118
(Against charge to be created on Company's Inventory, Book Debts and Plant & Machinery and guaranteed by Directors)		
Repayable within one year ₹ 27,500,000/- (Previous year ₹ 50,000,000/-)		
PER BALANCE SHEET	950,911,857	787,093,231

SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET

Particulars	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SCHEDULE 5 - UNSECURED LOANS		
Short - Term Loans and Advances		
(i) FROM BANKS		
a) Loan against Property from HDFC BANK (Guaranteed by Directors)	33,693,845	45,329,747
Secured by charge on personal Assets of Directors		
Repayable within one year ₹ 11,268,473/- (Previous year ₹ 11,635,902/-)		
b) Loan from AXIS BANK	93,783,060	-
Repayable within one year ₹ 93,783,060/- (Previous year ₹ NIL)		
(iii) FROM OTHERS		
a) Security Deposits - Trade	51,035,383	45,299,131
b) Others	43,800,016	-
PER BALANCE SHEET	<u>222,312,304</u>	<u>90,628,878</u>
SCHEDULE 6 - FIXED ASSETS		
INTANGIBLE ASSETS		
Goodwill created on Consolidation	12,044,014	-
TANGIBLE ASSETS		
Gross block	1,029,765,834	490,401,757
Less :- Depreciation	<u>124,707,490</u>	<u>94,218,318</u>
Net Block	<u>905,058,344</u>	<u>396,183,439</u>
PER BALANCE SHEET	<u>917,102,358</u>	<u>396,183,439</u>

CONSOLIDATED SCHEDULE OF FIXED ASSETS FOR THE YEAR ENDED 31ST MARCH, 2011

SCHEDULE - 6

(Amount in Rupees)

Sr No	Particulars	Gross Block			Depreciation Block					Net Block		
		Balance as on 31-Mar-10	Additions during the Year	Deductions During the Year	Balance as on 31-Mar-11	Balance as on 31-Mar-10	Provided during the Year	On Revaluations	Deductions during the Year	Total as on 31-Mar-11	As on 31-Mar-11	As on 31-Mar-10
1	INTANGIBLE ASSETS											
	Goodwill	-	12,044,014	-	12,044,014	-	-	-	-	-	12,044,014	-
2	TANGIBLE ASSETS											
	Land	1,514,775	-	-	1,514,775	-	-	-	-	-	1,514,775	1,514,775
3	Factory Building	247,148,109	178,588,137	-	425,736,246	37,914,058	3,191,612	2,804,433	-	43,910,103	381,826,143	209,234,051
4	Residential Flat	350,000	-	-	350,000	75,962	5,705	-	-	81,667	268,333	274,038
5	Plant & Machinery	87,311,032	310,157,040	-	397,468,072	18,932,409	11,183,360	-	-	30,115,769	367,352,303	68,378,624
6	Electrical Installations	4,719,385	407,244	-	5,126,629	979,463	201,899	-	-	1,181,362	3,945,267	3,739,922
7	Laboratory Equipments	2,003,600	7,110	-	2,010,710	396,902	86,213	-	-	483,115	1,527,595	1,606,698
8	Office Equipments	3,435,047	38,296,962	-	41,732,009	1,477,670	348,114	-	-	1,825,784	39,906,226	1,957,378
9	Furniture & Fixtures	16,240,848	2,051,465	-	18,292,312	2,425,381	1,066,578	-	-	3,491,959	14,800,354	13,815,467
10	Air Conditioners	2,662,578	162,790	17,000	2,808,368	1,398,970	48,962	-	17,000	1,430,932	1,377,436	1,263,608
11	Computer	20,490,551	2,735,007	-	23,225,558	9,078,365	3,224,565	-	-	12,302,930	10,922,628	11,412,186
12	Vehicles	60,682,246	13,398,239	7,274,015	66,806,470	17,224,190	6,039,068	-	2,848,597	20,414,661	46,391,809	43,458,056
13	Commercial Vehicles	44,694,685	-	-	44,694,685	4,414,241	5,054,969	-	-	9,469,210	35,225,475	40,280,444
		491,252,856	557,848,007	7,291,015	1,041,809,848	94,317,610	30,451,045	2,804,433	2,865,597	124,707,490	917,102,358	396,935,246
	Previous Year ₹	447,231,098	60,576,314	17,405,656	490,401,757	71,589,460	23,558,987	2,804,433	3,734,561	94,218,319	396,183,438	375,641,639

SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET

Particulars	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SCHEDULE 7 - CAPITAL WORK IN PROGRESS	171,373,270	157,277,529
PER BALANCE SHEET	171,373,270	157,277,529
SCHEDULE 8 - INVESTMENTS		
A. Investments in Government or Trust Securities		
National Saving Certificates	18,000	13,000
(Deposited with BMC for plot at Deonar, Mumbai, for S.S.I. Registration deposited with Industrial Department, Hyderabad and Pesticides licence renewal at Rudrapur)		
B. Unquoted Investments at Cost		
TRADE		
<u>Investment in Subsidiaries / Associates</u>		
<u>In Shares of Mapco Fertilizers FZC</u>		
1) 25 Equity Shares of AED 48000/- each	14,582,400	14,695,236
PER BALANCE SHEET	14,600,400	14,708,236
SCHEDULE 9 - INVENTORIES		
(At lower of cost or Net Realisable Value)		
Certified and valued by the Management)		
Finished / Traded Goods	663,694,329	371,696,082
Finished / Traded Goods-in-Transit	-	2,826,250
Raw Materials	322,422,202	105,220,685
Packing Materials	97,638,965	79,240,785
PER BALANCE SHEET	1,083,755,496	558,983,802
SCHEDULE 10 - SUNDRY DEBTORS		
<u>Unsecured - Considered Good</u>		
Outstanding for a period exceeding six months	181,386,685	268,987,349
Others	371,273,501	393,219,261
PER BALANCE SHEET	552,660,186	662,206,610
SCHEDULE 11 - CASH AND BANK BALANCES		
Cash on hand	80,453	54,599
With Scheduled Banks in Current Account	82,675,653	71,357,868
With Scheduled Banks in Fixed Deposit Accounts	329,054,751	11,345,241
PER BALANCE SHEET	411,810,857	82,757,708

SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET

Particulars	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SCHEDULE 12 - LOANS & ADVANCES		
<u>Unsecured - Considered Good</u>		
<u>Loans & Advances</u>		
Advances recoverable in cash or in kind or for value to be received		
- to Companies under same management in which Directors are interested	-	166,065,143
- Advances to Suppliers	203,313,390	160,938,659
- Advances to Capital Goods Suppliers	17,225,501	-
- Advances to Associate Companies	42,696,826	36,190,913
- Advance Rent	-	37,375
Staff Loans	1,202,726	841,675
Sundry Deposits	4,528,117	5,806,420
Imprest Advance for Vehicle Expenses	80,709	260,813
Share Application Money (Amarak Chemicals FZC)	-	185,380,243
Tax Refunds	2,518,194	2,494,502
Interest Accrued but not Due	1,003,220	32,786
Advance Income Tax / Tax Deducted at Source	14,516,242	9,176,774
Other Advances	11,063,705	7,432,647
Pre-paid Expenses	12,667,408	3,095,082
MAT Credit Entitlement	45,000	45,000
PER BALANCE SHEET	<u>310,861,038</u>	<u>577,798,033</u>
SCHEDULE 13 - CURRENT LIABILITIES AND PROVISIONS		
<u>Current Liabilities</u>		
(a) Sundry Creditors		
(i) For Goods	363,088,604	159,467,507
(ii) For Expenses	113,827,666	105,325,858
(b) Advances/Credits from Customers	13,669,172	27,669,861
(c) Due to Directors	6,923,673	6,091,503
(d) Interest Accrued but not Due	1,391,149	1,539,558
(e) Other Liabilities	250,000,000	-
	<u>748,900,264</u>	<u>300,094,287</u>
<u>Provisions :</u>		
For Gratuity	6,429,113	16,049,998
For Leave Salary	437,472	232,675
For Taxation		
Income Tax	72,050,000	55,522,175
Fringe Benefit Tax	103,748	103,748
Wealth Tax	500,000	500,000
Dividend Distribution Tax	2,159,858	3,239,790
	<u>81,680,191</u>	<u>75,648,386</u>
PER BALANCE SHEET	<u>830,580,455</u>	<u>375,742,673</u>
SCHEDULE 14 - MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
<u>Pre-Operative Expenses</u>		
Balance B/f	4,044,916	5,075,702
Add :- Additions during the Year	12,030	25,490
	<u>4,056,946</u>	<u>5,101,192</u>
Less : Sales Tax Deposit transferred	-	25,000
Less : - 1/5 th Written Off to Profit & Loss Account	1,036,275	1,031,276
PER BALANCE SHEET	<u>3,020,671</u>	<u>4,044,916</u>

SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT

Particulars	Year Ended 31st March, 2011 Rupees	Year Ended 31st March, 2010 Rupees
SCHEDULE 15 - SALES		
Sales - Manufactured	1,034,927,385	906,349,596
Sales - Traded / Rebranded	<u>765,539,072</u>	<u>618,051,066</u>
PER PROFIT AND LOSS ACCOUNT	<u><u>1,800,466,457</u></u>	<u><u>1,524,400,662</u></u>
SCHEDULE 16 - OTHER INCOME		
Commission on Sales	229,985	980,306
Exchange Rate Fluctuation / Difference due to Translation	9,218,980	13,777,051
Interest Income	21,202,049	15,416,802
Misc. / Other Income	<u>534,968</u>	<u>321,389</u>
PER PROFIT AND LOSS ACCOUNT	<u><u>31,185,983</u></u>	<u><u>30,495,548</u></u>
SCHEDULE 17 - INCREASE / (DECREASE) IN STOCK		
Closing Stock of Finished Goods	446,909,792	156,329,918
Add : Closing Stock of Goods-in-Transit	-	2,826,250
Less : Opening Stock of Finished Goods	165,339,280	134,870,265
Less : Opening Stock of Goods in Transit	<u>2,826,250</u>	<u>-</u>
PER PROFIT AND LOSS ACCOUNT	<u><u>278,744,262</u></u>	<u><u>24,285,903</u></u>
SCHEDULE 18 - MATERIALS CONSUMED		
Opening Stock of Raw Materials	101,295,405	225,479,644
Add : Raw Materials Goods in Transit	-	220,593
Add : Purchases	<u>429,338,649</u>	<u>262,750,718</u>
	530,634,054	488,450,955
Less : Purchase Return	3,514,319	-
Less : Closing Stock of Raw Materials	<u>322,422,202</u>	<u>104,867,537</u>
Raw Material consumed	<u><u>204,697,533</u></u>	<u><u>383,583,418</u></u>
Opening Stock of Packing Materials	83,165,042	81,004,589
Add : Purchases	<u>132,350,322</u>	<u>92,384,671</u>
	215,515,364	173,389,260
Less : Closing Stock of Packing Materials	<u>97,638,965</u>	<u>83,183,540</u>
Packing Material consumed	<u><u>117,876,399</u></u>	<u><u>90,205,720</u></u>
Opening Stock of Traded / Re-Branded Goods	216,784,554	101,121,248
Add : Purchases	<u>598,814,726</u>	<u>320,402,576</u>
	815,599,280	421,523,824
Less : Closing Stock of Traded / Re-Branded Goods	<u>216,784,537</u>	<u>216,784,554</u>
Products Traded	<u><u>598,814,743</u></u>	<u><u>204,739,270</u></u>
Consumption of Materials	<u><u>921,388,675</u></u>	<u><u>678,528,408</u></u>

SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT

Particulars	Year Ended 31st March, 2011 Rupees	Year Ended 31st March, 2010 Rupees
SCHEDULE 19 - MANUFACTURING / DIRECT EXPENSES		
Analysis & Testing Charges	7,982	-
Consumables	9,538,758	4,555,534
Laboratory Expenses	163,468	191,718
Freight Inward	31,989,674	16,226,908
General Expenses - Factory	5,778,800	1,639,841
Power & Fuel	12,388,284	8,312,986
Processing Charges	11,609,405	7,516,391
Rent - Factory & Godown	26,059,631	8,087,043
Repairs & Maintenance - Factory	5,341,661	1,654,301
Wages	31,333,152	24,796,264
PER PROFIT AND LOSS ACCOUNT	134,210,815	72,980,986
SCHEDULE 20 - PAYMENT TO & FOR EMPLOYEES		
Salary	93,980,901	77,748,830
Directors Remuneration	16,822,920	14,666,311
Allowances	14,902,753	7,984,065
Bonus	3,067,456	2,898,050
Funds/Contribution	18,117,225	12,601,919
Perks/Expenses	1,735,412	1,274,379
Staff Welfare Expenses	5,379,268	4,767,762
Training & Recruitment Expenses	1,234,715	510,211
	155,240,649	122,451,527
SCHEDULE 21 - ADMINISTRATION, SELLING & OTHER EXPENSES		
Selling Costs		
Advertisement & Publicity	37,837,609	32,252,117
Discount and Selling Expenses	164,709,887	124,698,841
Freight & Delivery Expenses	95,082,715	67,239,813
Mobile Selling Expenses (KVV)	23,003,732	24,078,321
Selling Expenses	6,713,599	5,389,436
Travelling Expenses	43,831,170	39,202,345
	371,178,712	292,860,872
Other Administration Expenses		
Auditors Remuneration	1,464,728	1,550,406
Conveyance & Motor Car Expenses	17,119,871	13,283,353
Electricity	757,176	633,493
Exchange Rate Difference due to Translation	2,015,843	-
General Expenses - Office	7,370,585	4,618,889
Insurance Charges	3,669,898	2,131,399
Legal & Professional Charges	7,700,997	4,586,997
Loss on Sale of Fixed Asset	1,880,737	2,042,277
Postage & Telephones	7,726,275	7,447,493
Printing & Stationary	8,812,168	9,748,817
Rent, Rates & Taxes	10,452,129	5,303,994
Repairs and Maintenance - Office	2,050,020	1,921,600
Write Offs	58,965	13,049
PER PROFIT AND LOSS ACCOUNT	71,079,391	53,281,767
	442,258,103	346,142,639

SCHEDULE 22

NOTES TO ACCOUNTS

1. Significant Accounting Policies

A. Basis of Preparation of consolidated financial statements

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

B. Principles of consolidation

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

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

Subsidiaries

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

In case of foreign subsidiaries, being non integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year as per provisions of Accounting Standard (AS) - 11 relating to “The Effects of Changes in Foreign Exchange Rates” issued by Institute of Chartered Accountants of India.. Any exchange difference arising on account of consolidation is recognized in Foreign Currency Translation Reserve.

The difference between the costs of Investment in the subsidiaries, over the net assets at the time of acquisitions of shares in the subsidiaries is recognized in the financial statement as Goodwill or Capital Reserve as the case may be.

Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's Shareholder.

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

As far as possible, the consolidated financial statements are presented using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the parent company's separate financial statements.

C. Use of Estimates

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

D. Fixed Assets and Depreciation

- Fixed Assets are stated at cost of acquisition / construction / revaluation less accumulated depreciation
- Depreciation on fixed assets for Indian operations is provided on straight line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.
- Depreciation for Indian operations on building to the extent of revalued amount has been debited to Revaluation Reserve account.
- On assets acquired during the year and assets sold during the year the depreciation has been provided pro rata for the period used.
- The cost of property, plant & equipment for subsidiary “Golden Harvest Middle East FZC” is depreciated by equal annual installments over the estimated useful lives of the Assets. The estimated useful lives of the assets for the calculation of depreciation are as follows:

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

E. Investments

Investments are stated at cost.

F. Inventories

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

G. Revenue Recognition

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

H. Employee Benefits

- Bonus is accounted on accrual basis
- Gratuity is covered under the Group Gratuity scheme of Life insurance Corporation of India.
- All employees are eligible for benefit under provident fund (PF) scheme. Provident Fund @ 12% covered employees basic salary plus dearness allowance wherever applicable is deducted and paid alongwith company's contribution of an equal amount on a monthly basis to the government administered provident fund scheme and charged to profit and loss account.
- As per the policy of the company, only managerial staff is entitled to encash their Annual leave. The same is accounted for on cash basis. The liability is unascertainable.

I. Earning Per Share

Basic earning per Share is calculated by dividing the net profit or loss for the year attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the year.

J. Impairment of Assets

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

K. Foreign Currency Transactions

- The transactions in foreign currency are accounted at the exchange rate i.e. custom rate prevailing on the date of transaction. Exchange fluctuation between the transaction date and settlement date in respect of transactions are transferred to exchange rate difference account and written off to Profit & Loss Account.
- Current assets and Current liabilities involving transactions in foreign currency are converted at the exchange rates prevailing on the date of balance sheet. Any profit and loss arising out of such conversion is charged to profit and loss account.
- Non Monetary items i.e. Investments are converted at the rate prevalent on the date of transaction.
- For the purpose of consolidation the company has provided interest accrued but not due on the loan given to its Subsidiary amounting to ₹ 1,003,220/- however the said subsidiary namely Golden Harvest Middle East FZC has not provided in their books of accounts.

L. Description of the group

The group's subsidiaries are set as below:

ENTITY	% HOLDING	Country
Aries Agro Care Pvt. Ltd.	100%	India
Aries Agro Equipments Pvt. Ltd.	100%	India
Aries Agro Produce Pvt. Ltd.	75%	India
Golden Harvest Middle East FZC	The Company having remitted contribution of 112,500 AED towards Equity they have been classified under Equity and the balance 14,928,000 AED is presently categorized under Shareholders Current Account.	UAE
Amarak Chemicals FZC	Golden Harvest Middle East FZC (Subsidiary Company of Aries Agro Limited) having remitted contribution of 2,250,000 AED towards Equity they have been classified under Equity and the balance 27,849,627 AED is presently categorized under Shareholders Current Account.	UAE

2. Current Assets, Loans & Advances and Provisions

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

3. Gratuity

Indian Operations:

The Liability as per Life Insurance Corporation is fully provided in the accounts. The Details as on 31st March, 2011 are as under.

- Present value of obligations as on 31/03/2011 is ₹ 33,881,684/- (Previous Year ₹ 25,900,077/-).
- Fair value of plan assets as on 31/03/2011 is ₹ 26,826,802/- (Previous Year ₹ 9,850,079/-).
- Provisions made (fully) as on 31/03/2011 is ₹ 7,054,882/- (Previous Year ₹ 16,049,998/-).

UAE Operations:

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

4. Contingent liability not provided for in the accounts:

- Letters of credit / guarantees given to Banks ₹ 5,715.01 lakhs
- Bills discounting with Banks ₹ 2,214.05 lakhs
- Claims against company not acknowledged as debts ₹ 86.50 lakhs which includes tax dues disputed as ₹ 5.12 lakhs towards sales Tax, ₹ 54.56 lakhs towards Income Tax and includes ₹ 25.73 lakhs pertaining to pending suits regarding quality issue.
- The Commissioners of Central Excise, Mumbai and Hyderabad has issued Show Cause-Cum-Demand Notices for levy of Excise Duty on clearances of Micronutrients. The Commissioner of Central Excise, Mumbai, vide his Order dated 27th November, 2006 and Commissioner of Central Excise, Hyderabad, vide his Order dated 30th November 2005 had cancelled these demands in respect of clearance upto June, 2006. The Department has preferred appeals against the said orders. The Department has issued Show Cause Notices to the Company in respect of clearances thereafter. Though, in view of the Orders referred to above and the pending appeals, no action has been taken. The Company expects no liability in this regard.
- Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of Advances) is Rs 140 Lacs.

5. Income tax

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

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

6. Deferred Tax: Accounting Standard - 22

	Particulars	Year Ended 31 st March 2011	Year Ended 31 st March 2010
1	As on 1st April, 2010		
A	Deferred Tax Liability on account of depreciation	14,883,932	4,575,005
B	Deferred Tax Asset	NIL	NIL
		14,883,932	4,575,005
2	Deferred Tax Liability / (Assets) as on 31st Mar, 2011.		
A	Deferred Tax Liability on account of depreciation	24,113,531	21,690,767
B	Deferred Tax Asset On account of issue expenses w/off	(3,326,317)	(6,806,835)
C	Deferred Tax Asset On account of Loss	(378,828)	NIL
D	Deferred Tax Liability / (Asset)	20,408,386	14,883,932
	Deferred Tax Liability / (Asset) Debited to Profit & Loss A./c.	5,524,454	10,308,927

Assumption:

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

7. Earnings per Share

Particulars	Year Ended 31 st March 2011	Year Ended 31 st March 2010
Net Profit after tax as per Profit & Loss Account attributable to Equity Shareholders	182,478,787	148,170,346
Net Profit before exceptional items	185,888,196	162,364,268
Weighted Average number of Equity Shares used as denominator for calculating EPS	13,004,339	13,004,339
Basic & Diluted Earning per Share (₹)	14.03	11.39
Basic & Diluted Earning before exceptional items per Share (₹)	14.29	12.49
Face Value per Equity Share	10	10

8. Segmental Reporting as per Accounting Standard - 17

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

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

PART – A			
Details of Related Parties as per AS – 18			
Nature of Relationship	Name of Related Party	Remarks	
Enterprises over which the key Management Persons have Significant Influence or Control	Aries Marketing Ltd. Blossoms International Ltd. Sreeni Agro Chemicals Pvt. Ltd. Aries East West Nutrients Pvt. Ltd.		
Key Management Personnel	Dr. Jimmy Mirchandani Dr. Rahul Mirchandani Mr. Akshay Mirchandani	Chairman & Managing Director Executive Director Director	
Relatives of Key Management Personnel	Name of Key Management Person	Name of Relative	Relationship
	Dr. Jimmy Mirchandani	Mrs. Sarasa Mirchandani	Spouse
		Mr. Akshay Mirchandani	Son
		Mr. Amol Mirchandani	Son
		Dr. Rahul Mirchandani	Brother
	Dr. Rahul Mirchandani	Mrs. Nitya Mirchandani	Spouse
		Master Armaan Mirchandani	Son
		Dr. Jimmy Mirchandani	Brother
	Mr. Akshay Mirchandani	Mrs. Aparna Mirchandani	Spouse
		Dr. Jimmy Mirchandani	Father
		Mrs. Sarasa Mirchandani	Mother
		Mr. Amol Mirchandani	Brother
Enterprises in which the key Management Persons have total control	Mirabelle International	Prop. Dr. Jimmy Mirchandani	

PART – B				
Details of Transactions with Related Parties				
Sr. No.	Category	Nature of Service	Year Ended 31st March 2011	Year Ended 31st March 2010
1	Enterprises over which the key Management Persons have Significant Influence or Control	Finance – Loans/Payments Given	5,000,000	5,003,349
		Sales	21,915,708	-
		Payments (Net of Receipts) for Goods	17,393,216	-
		Finance – Unsecured Loans received	17,672,352	-
		Receipts from Sale of Goods	19,915,000	-
		Purchases	20,475,000	-
2	Key Management Personnel	Finance – Unsecured Loans received	30,500,000	9,500,000
		Finance – Unsecured Loans repaid	30,500,000	11,200,000
		Directors Remuneration paid	16,003,204	13,367,695
3	Enterprises belonging to Key Management Personnel	Finance – Loans/Payments Received	2,157,138	-

PART – C				
Balances Outstanding with Related Parties				
Nature of Outstanding	Category	Name of the Related Party	Year Ended 31st March 2011	Year Ended 31st March 2010
Enterprises over which the key Management Persons have Significant Influence or Control	Sundry Debtors	Aries Marketing Ltd.	4,168,264	16,840,616
		Sreeni Agro Chemicals Pvt. Ltd.	2,000,708	-
	Sundry Creditors	Sreeni Agro Chemicals Pvt. Ltd.	3,081,784	-
	Loans & Advances	Aries East West Nutrients Pvt. Ltd.	4,499,536	4,499,536
Key Management Personnel	Due to Directors	Dr. Jimmy Mirchandani	3,650,653	3,035,200
		Dr. Rahul Mirchandani	3,273,020	3,056,303
Enterprises over which the key Management Persons has total control	Loans & Advances	Mirabelle International	-	2,157,138

10. Remuneration to Directors

Remuneration paid to Managing director, Joint managing director and executive director is within the limits laid down under Schedule XIII to the Companies Act, 1956 and included in the Profit and Loss Account, as Directors Remuneration.

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

Particulars	Year Ended 31st March 2011	Year Ended 31st March 2010
Salaries and Allowances	9,240,004	7,259,895
Contribution to P. F.	763,200	607,800
Commission payable to Directors	6,000,000	5,500,000

(Net profit as determined u/s 349 of Companies Act, 1956 is ₹ 2,311.77 Lacs)

11. Term Loans from HDFC (classified as unsecured) is secured against the personal assets of the directors.
12. Management Fees receivables on management of Farmer's Loan from HDFC Bank will be accounted for on raising of invoices / accrual basis.
13. Sundry Debtors include due from the Companies under the same management.

Name of the Party	Amount ₹
Sreeni Agro Chemicals Pvt. Ltd. (Balance as on 31/03/2011)	2,000,708
Maximum balance outstanding during the year	16,370,998

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

	Name of the Party	Amount ₹
1	Aries East West Nutrients Private Limited (Balance as on 31/03/2011)	4,499,536
	Maximum balance outstanding during the year	4,499,536
2	Aries Marketing Limited (Balance as on 31/03/2011)	4,168,264
	Maximum balance outstanding during the year	21,840,616
3	Mirabelle International (Balance as on 31/03/2011)	NIL
	Maximum balance outstanding during the year	2,157,138

15. Loans & Advances includes the Custom Duty Refund awaited ₹ 2,493,152/-.

16. Margin for Bank Guarantees includes ₹ 295,000/- being the amount of Fixed Deposits for issue of Bank Guarantees on behalf of Subsidiaries / Associates.

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

As per our report of even date

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

Kirti D Shah
Proprietor
Membership No 32371

Place : Mumbai.
Date : 10th August, 2011

For and on behalf of the Board

Dr. Jimmy Mirchandani
Chairman & Managing Director

Dr. Rahul Mirchandani
Executive Director

Mr. S Ramamurthy
Chief Financial Officer

Dr. D S Jadhav
Director

Mr. Akshay Mirchandani
Director

Mr. Qaiser P. Ansari
Company Secretary

Prof R S S Mani
Director

Mr. C. B. Chhaya
Director

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS

We have audited the accompanying separate financial statements of **Golden Harvest Middle East (FZC)**, ("the Company") Sharjah Airport International Free Zone, Sharjah, United Arab Emirates which comprise the balance sheet as at 31 March 2011, the income statement, statement of changes in shareholders' funds and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects the financial position of **Golden Harvest Middle East (FZC)**, Sharjah Airport International Free Zone, Sharjah, United Arab Emirates as of 31 March 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

FRG CHARTERED ACCOUNTANTS

Place : Dubai
Date : May 7, 2011

Habib Darwish Al Rahma
Registration No. 342

BALANCE SHEET AT 31 MARCH 2011

Particulars	Notes	2011 AED	2010 AED
ASSETS			
Non-current assets			
Property, plant and equipment	3	5,670,925	5,971,439
Investment in subsidiaries/associates	4	3,450,000	1,200,000
Capital work in progress	5	56,724	-
		<u>9,177,649</u>	<u>7,171,439</u>
Current assets			
Inventories	6	7,685,684	6,236,842
Accounts receivable	7	2,849,582	150,000
Prepayments and other receivables	8	338,970	162,598
Amounts due from related parties	9	15,818,585	31,090,544
Advance towards share application money	10	27,849,627	-
Cash and bank balances	11	92,086	151,904
Total current assets		<u>54,634,534</u>	<u>37,791,888</u>
TOTAL ASSETS		<u>63,812,183</u>	<u>44,963,327</u>
SHAREHOLDERS' FUNDS AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	12	150,000	150,000
Shareholders' current accounts	13	16,890,500	14,134,250
Retained earnings		11,850,575	7,362,717
Reserve fund	14	75,000	75,000
Total shareholders' funds		<u>28,966,075</u>	<u>21,721,967</u>
Non Current liabilities			
Provision for employees' terminal benefits	15	58,675	39,307
Term loans - non current portion	16	42,508	116,092
Total non - current liabilities		<u>101,183</u>	<u>155,399</u>
Current liabilities			
Accounts payable and accruals	17	211,233	217,576
Short term loans	18	7,717,500	-
Amounts due to related parties	9	26,742,608	22,791,901
Term loans - current portion	16	73,584	76,484
Total current liabilities		<u>34,744,925</u>	<u>23,085,961</u>
Total liabilities		<u>34,846,108</u>	<u>23,241,360</u>
TOTAL SHAREHOLDERS' FUNDS AND LIABILITIES		<u>63,812,183</u>	<u>44,963,327</u>

For Golden Harvest Middle East (FZC)

Place: Sharjah

Director

Date : 07.05.2011

STATEMENT OF INCOME FOR THE YEAR ENDED 31 MARCH 2011

Particulars	Notes	2011 AED	2010 AED
INCOME			
Sales	19	28,077,550	20,066,528
Cost of sales	20	(21,714,924)	(14,986,198)
GROSS PROFIT		6,362,626	5,080,330
Other income	21	19,613	75,125
TOTAL INCOME		6,382,239	5,155,455
EXPENSES			
Administration, selling and general expenses	22	864,453	793,750
Finance charges	22	390,545	312,997
Depreciation	3	639,383	580,534
		1,894,381	1,687,281
Net profit for the year		4,487,858	3,468,174

STATEMENT OF CHANGES IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 31 MARCH 2011

Year to 31 March 2011	Share capital AED	Shareholders' current accounts AED	Retained earnings AED	Reserve fund AED	Total AED
Balance at 1 April 2010	150,000	14,134,250	7,362,717	75,000	21,721,967
Net profit for the year	-	-	4,487,858	-	4,487,858
Net movements in current accounts	-	2,756,250	-	-	2,756,250
Balance at 31 March 2011	150,000	16,890,500	11,850,575	75,000	28,966,075
Year to 31 March 2010	Share capital AED	Shareholders' current accounts AED	Retained earnings AED	Reserve fund AED	Total AED
Balance at 1 April 2009	150,000	5,701,739	3,894,543	75,000	9,821,282
Net profit for the year	-	-	3,468,174	-	3,468,174
Net movements in current accounts	-	8,432,511	-	-	8,432,511
Balance at 31 March 2010	150,000	14,134,250	7,362,717	75,000	21,721,967

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

Particulars	2011 AED	2010 AED
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the year	4,487,858	3,468,174
Adjustment for:		
Depreciation	639,383	580,534
Provision for employees' terminal benefits	19,368	14,710
Operating profit before working capital changes	5,146,609	4,063,418
(Increase) in inventories	(1,448,842)	(3,962,497)
(Increase)/decrease in accounts receivable	(2,699,582)	3,886,325
(Increase)/decrease in prepayments and other receivables	(176,372)	23,401
Decrease/(increase) in amounts due from related party	15,271,959	(11,637,306)
(Decrease) in accounts payable and accruals	(6,343)	(4,457,330)
Increase in amounts due to related party	3,950,707	3,204,176
Net cash from/(used in) operating activities	20,038,136	(8,879,813)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(338,869)	(419,552)
(Increase) In investments	(2,250,000)	-
(Increase) in capital work in progress	(56,724)	-
Net cash (used in) investing activities	(2,645,593)	(419,552)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movement in current accounts	2,756,250	8,432,511
Advance towards share application money	(27,849,627)	-
(Decrease)/increase in term loans	(76,484)	172,639
Increase in short term loans	7,717,500	-
Net cash (used in)/from financing activities	(17,452,361)	8,605,150
Net (decrease) in cash and cash equivalents	(59,818)	(694,215)
Cash and cash equivalents at beginning of the year	151,904	846,119
Cash and cash equivalents at end of the year	92,086	151,904

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

1 LEGAL STATUS AND ACTIVITY :

Legal Status : Golden Harvest Middle East (FZC) (the "Company") is a Free Zone Company with limited liability incorporated and licensed at Sharjah Airport International Free (SAIF) Zone, Sharjah pursuant to Sharjah Emiri Decree No 2 of 1995. The Company is operating under Industrial License No 03-04-03146 issued on 12 July 2005 by SAIF Zone Authorities.

Activity : The Company is manufacturing organic and chemical fertilizers. The principal place of the business of the Company is located at P3-04, Sharjah Airport International Free Zone, Sharjah, United Arab Emirates. These separate financial statements relates to the operations of Golden Harvest Middle East (FZC) and do not include the results of operations of its subsidiary Company M/s Amarak Chemicals FZC, Fujairah, United Arab Emirates.

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

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

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

Accounting period : These financial statements relate to the period from 1 April 2010 to 31 March 2011.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

2.1 Basis of preparation

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) that are relevant to the operations of the Company.

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

Basis of measurement

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

2.2 Changes in accounting policies

There have been new and revised standards and Interpretations issued by IASB and IFRIC that are applicable for accounting periods commencing 1 January 2010. Considering the operations of the Company, the aforesaid standards and interpretations have no effect on accounting and presentation of these financial statements.

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

- Amendments to IAS 24 'Related party disclosures' has simplified the definition of a related party, clarifying its intended meaning and eliminated inconsistencies from the definition. The amendments have also provided a partial exemption from the disclosure requirements for government-related entities. An entity shall apply this IFRS for annual periods beginning on or after 1 January 2011, though earlier application is permitted.
- IFRS 9 'Financial Instruments' was issued partially in November 2009 and will eventually replace IAS 39 'Financial Instruments: Recognition and Measurement'. The chapters issued in November 2009 related to the classification and measurement of financial assets. An entity shall apply this IFRS for annual periods beginning on or after 1 January 2013, though earlier application is permitted.

2.3 Significant accounting policies

a Property, plant and equipment

Property, plant and equipment are initially recorded at cost together with any incidental expenses of acquisition or construction. Subsequently they are stated at cost less accumulated depreciation and accumulated impairment losses.

Major costs incurred in restoring property, plant and equipment to their normal working condition are charged to the income statement. Improvements are capitalized and depreciated over their expected useful lives.

b Depreciation

The cost of property, plant and equipment is depreciated by equal annual installments over the estimated useful lives of the assets. The estimated useful lives of the assets for the calculation of depreciation are as follows:

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

c Employees' terminal benefits

Provision is made for employees' terminal benefits on the basis prescribed under the U.A.E. Labour Law based on employees' salaries and number of years of service. The terminal benefits are paid to employees on termination or completion of their term of employment. Accordingly, the Company has no expectation of settling its employees' terminal benefits obligation in the near future.

d Foreign currencies

Functional and presentation currency

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

Transaction and balances

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

e Accounts receivable

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

f Accounts payable and accruals

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

g Finance charges

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

h Cash and cash equivalents

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

i Financial instruments

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

j Borrowing costs

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

k Impairment

Financial assets

At each balance sheet date, the Company assesses if there is any objective evidence indicating impairment of financial assets or non collectability of receivables.

An impairment loss, if any, arrived at as a difference between the carrying amount and the recoverable amount, is recognized in the statement of income. The recoverable amount represents the present value of expected future cash flows discounted at original effective interest rate. Cash flows relating to short term receivables are not discounted.

Non financial assets

At each balance sheet date, the Company assesses if there is any indication of impairment of non financial assets. If an indication exists, the Company estimates the recoverable amount of the asset and recognizes an impairment loss in the statement of income. The Company also assesses if there is any indication that an impairment loss recognized in prior years no longer exists or has reduced. The resultant impairment loss or reversals are recognized immediately in the statement of income.

l Investments

Associates

An entity over which the Company exercises significant management influence but not control is classified as an associate and is accounted for using the equity method.

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

m Financial liabilities

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

n Sales

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

o Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from the past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

Contingent liabilities are not recognized but are disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognized as provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When an inflow is virtually certain, an asset is recognized.

2.4 Significant accounting estimates

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

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

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

Impairment of accounts receivable and amounts due from related parties

An estimate of the collectible amount of trade accounts receivable and amounts due from related parties are made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and an allowance applied according to the length of time past due, based on historical recovery rates. Any difference between the amounts actually collected in future periods and the amounts expected to be collected will be recognized in the income statement.

3 PROPERTY, PLANT AND EQUIPMENT

Movement in property, plant and equipment are given on page number 23.

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

4 INVESTMENTS

(Un-quoted at cost)

At the balance sheet date, the Company had investment in the associate company mentioned in (i) below in accordance with the terms and conditions of the Memorandum and Articles of Associations of the associate company. The associate company is in the process of setting up a manufacturing facility and has not commenced commercial operations at the balance sheet date. The amendment of the statutory records of the Company maintained by the Hamriyah Free Zone Authority to reflect the above investment is under progress.

During the year the Company had also invested in a subsidiary Company mentioned in (ii) below.

				Value	
	Name of associate/ subsidiary	Activity	Percentage of holding	2011 AED	2010 AED
(i)	Mapco Fertilizer Industries FZC, Hamriyah Free Zone, Sharjah (25 shares of AED 48,000)	Manufacture of chemical fertilizer	25%	1,200,000	1,200,000
(ii)	Amarak Chemicals FZC, Fujairah Free Zone, Fujairah (15,000 shares of AED 150)	Manufacturing of chemical & fertilizers	75%	2,250,000	-
				3,450,000	1,200,000

5 CAPITAL WORK IN PROGRESS

	2011 AED	2010 AED
Additions during the year	56,724	-
Ending balance	56,724	-

Capital work in progress represents expenditure incurred in connection with the installation of machineries. Up on completion of the installation, the capital work in progress will be allocated to the relevant asset.

6 INVENTORIES

	2011 AED	2010 AED
Raw materials	4,902,802	4,448,649
Finished goods	2,760,758	1,766,430
Packing materials	22,124	21,763
	7,685,684	6,236,842

7 ACCOUNTS RECEIVABLE

	2011 AED	2010 AED
Accounts receivable	2,849,582	150,000
	2,849,582	150,000

- (i) At the balance sheet date 95% net accounts receivable are due from two customers (2010 -from one customer).

Golden Harvest Middle East (FZC)

(ii) The aging analysis of the accounts receivable are as follows:

	2011 AED	2010 AED
Due for less than 6 months	2,699,582	150,000
Due for more than 6 months	150,000	-
	2,849,582	150,000

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

8 PREPAYMENTS AND OTHER RECEIVABLES

	2011 AED	2010 AED
Prepayments	113,587	85,309
Deposits	50,350	57,400
Advance to suppliers	175,033	-
Other receivables	-	19,889
	338,970	162,598

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 branch and/or their relatives have an investing/controlling interest.

The prices and terms of these transactions were approved by the management and considered comparable to those charged by third parties. Amounts due from/to related parties do not attract interest and are payable on demand.

Amount due from related parties	2011 AED	2010 AED
Aries Agro Limited	-	1,179,124
MAPCO Fertilizers	2,800,282	1,212,700
Amarak Chemicals FZC, Fujairah	13,018,303	28,698,720
	15,818,585	31,090,544
Amount due to related parties		
Aries Agro Limited	26,445,762	22,791,901
Mirabelle Holdings	296,846	-
	26,742,608	22,791,901

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

	2011 AED	2010 AED
Sales	10,080,010	7,900,111
Purchases	6,024,355	3,194,549
Finance charges	176,819	248,515
Key management compensation		
(including Director's emoluments)		
Directors remuneration	84,000	84,000
	84,000	84,000

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

	2011 AED	2010 AED
Cash in hand	1,294	432
Current account with banks	90,792	151,472
	92,086	151,904

12 SHARE CAPITAL

	2011 AED	2010 AED
Authorised, issued and paid-up capital	150,000	150,000
(1,500 shares of AED 100 each)		
	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. The cost of providing these benefits is charged as an expense on an annual basis and the charge for the year ended 31 March 2011 amounted to AED 19,368.

16 TERM LOANS

	2011 AED	2010 AED
Motor Vehicle loans	116,092	192,576
	116,092	192,576

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

	2011 AED	2010 AED
Short term portion	73,584	76,484
Long term portion	42,508	116,092

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

17 ACCOUNTS PAYABLE AND ACCRUALS

	2011 AED	2010 AED
Trade payables	139,532	182,443
Accrued expenses	71,701	35,133
	211,233	217,576

18 SHORT TERM LOAN

	2011 AED	2010 AED
Bank term loans	7,717,500	-
	7,717,500	-

This represents short term loan taken during the year from a financial institution which bears interest at 4.33% per annum. This loan will be repaid within 12 months from the balance sheet date. The above loan is secured by Corporate guarantee of M/s Aries Agro Ltd, Mumbai, the shareholder of the Company.

19 SALES

	2011 AED	2010 AED
Trading	18,013,232	12,127,500
Manufacturing	10,064,318	7,939,028
	28,077,550	20,066,528

20 COST OF SALES

	2011 AED	2010 AED
Opening stock	6,236,842	2,274,345
Purchases	22,535,697	18,409,484
Direct expenses	628,069	539,211
Less: Closing stock	(7,685,684)	(6,236,842)
	21,714,924	14,986,198

21 OTHER INCOME

	2011 AED	2010 AED
Commission income	18,853	75,125
Other income	760	-
	19,613	75,125

22 ADMINISTRATION, SELLING AND GENERAL EXPENSES

	2011 AED	2010 AED
Salaries and benefits	276,494	218,310
Rent	221,271	255,024
Communication expenses	33,236	52,120
Legal and professional charges	77,178	78,143
Repairs and maintenance	44,215	40,521
Traveling, and conveyance	40,242	36,402
Printing and stationery	5,415	6,269
Insurance charges	6,041	3,410
Other expenses	160,361	103,551
	864,453	793,750

23 FINANCE CHARGES

	2011 AED	2010 AED
Bank charges and interest	17,698	39,960
Loss on currency exchange fluctuation	23,512	24,522
Interest charges	349,335	248,515
	390,545	312,997

Interest charges include AED 176,819 paid to the shareholder of the Company, M/s Aries Agro Ltd, Mumbai.

24 FINANCIAL RISK AND CAPITAL MANAGEMENT

24.1 Financial risk factors

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

The management believes that the fair values of the financial assets and liabilities approximate to their carrying amounts.

The Company's financial risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects of the financial performance. Under the Company's risk management programme, management identifies and documents key risks and sets out policies and procedures required to mitigate these risks. The identified key risks are:

a) Currency risk

The majority of the Company's financial assets and financial liabilities are either denominated in local currency (AED) or currencies fixed to the AED. Hence the management believes that there would not be a material impact on the profitability if these foreign currencies weaken or strengthen against the AED with all over variables held constant.

b) Interest rate risk

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

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

c) Credit risk

The Company is potentially exposed to concentration of credit risk from its financial assets which comprise principally bank balances, amounts due from related parties and accounts receivable. The Company's bank accounts are placed with high credit quality financial institutions. The credit risk on accounts receivable and amounts due from related parties are subjected to credit evaluations and an allowance has been made for estimated irrecoverable amounts. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The Company is not exposed to any significant concentration of credit risk because its exposure is spread over financial institutions and a large number of customers.

d) Liquidity risk

The Company manages its liquidity risk by ensuring it has sufficient liquid cash balances to meet its payment obligations as they fall due. The Company maintains good working relations with its banks and ensures compliance with the covenants as stipulated in facility agreements.

24.2 Capital management

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders by pricing products and services commensurately with the level of risk.

The Company sets the amount of capital funds in accordance with the planned level of operations and in proportion to the levels of risk. The Company manages the shareholders' funds and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the shareholders' funds, the Company may adjust the amount of dividends paid to shareholders, return funds to shareholders, issue new shares, or sell assets to reduce its exposure to debt.

25 CAPITAL COMMITMENTS

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

26 CONTINGENT LIABILITIES

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

27 SEGMENT REPORTING

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

	2011 AED	2010 AED
United Arab Emirates	5,789,042	12,166,417
Other countries:		
India	22,288,508	7,900,111
	28,077,550	20,066,528

28 COMPARATIVE FIGURES

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

29 LEVEL OF PRECISION

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

3 PROPERTY, PLANT AND EQUIPMENT

Particulars	Building	Machineries	Equipments	Office furniture	Motor vehicles	Total
	AED	AED	AED	AED	AED	AED
Cost:						
at 1 April 2010	2,640,117	3,804,160	39,939	54,752	347,131	6,886,099
additions during the year	55,356	274,963	8,550	-	-	338,869
at 31 March 2011	2,695,473	4,079,123	48,489	54,752	347,131	7,224,968
Depreciation:						
at 1 April 2010	190,739	571,487	22,169	25,886	104,379	914,660
charge for the year	130,266	402,464	8,920	10,950	86,783	639,383
at 31 March 2011	321,005	973,951	31,089	36,836	191,162	1,554,043
Net book values:						
at 31 March 2011	2,374,468	3,105,172	17,400	17,916	155,969	5,670,925
at 31 March 2010	2,449,378	3,232,673	17,770	28,866	242,752	5,971,439

AUDITOR'S REPORT

FRG/05/015/991(2)/11

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS

We have audited the accompanying financial statements of **Amarak Chemicals FZC**, ("the Company") Fujairah Free Zone, Fujairah, United Arab Emirates which comprise the balance sheet as at 31 March 2011, the income statement, statement of changes in shareholders' funds and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects the financial position of **Amarak Chemicals FZC**, Fujairah Free Zone, Fujairah, United Arab Emirates as of 31 March 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

FRG CHARTERED ACCOUNTANTS

Habib Darwish Al Rahma
Registration No. 342

Place : Dubai

Date : May 7, 2011

BALANCE SHEET AT 31 MARCH 2011

Particulars	Notes	2011 AED	2010 AED
ASSETS			
Non-current assets			
Property, plant and equipment	3	42,283,206	61,392
Capital work-in progress	4	-	35,442,723
Total non-current assets		42,283,206	35,504,115
Current assets			
Inventories	5	11,784,167	851,521
Accounts receivable	6	5,521,247	-
Deposits, advances and prepayments	7	862,480	1,165,769
Cash and bank balances	8	576,347	476,741
Total current assets		18,744,241	2,494,031
TOTAL ASSETS		61,027,447	37,998,146
SHAREHOLDERS' FUNDS AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	9	3,000,000	150,000
Shareholders' current accounts	10	6,415,875	1,509,336
Accumulated (losses)		(742,767)	(1,311,338)
Total shareholders' equity		8,673,108	347,998
Share application money	11	27,849,627	-
Total shareholders' funds		36,522,735	347,998
Non Current liabilities			
Provision for employees' terminal benefits	12	33,263	16,556
Term loans - non current portion	13	159,629	44,825
Total non -current liabilities		192,892	61,381
Current liabilities			
Accounts payable and accruals	14	6,508,051	3,753,039
Short term loan from related party	15	13,018,303	13,560,733
Amounts due to related parties	16	4,723,294	20,257,067
Term loans - current portion	13	62,172	17,928
Total current liabilities		24,311,820	37,588,767
Total liabilities		24,504,712	37,650,148
TOTAL SHAREHOLDERS' FUNDS AND LIABILITIES		61,027,447	37,998,146

For Amarak Chemicals FZC

Director

Place : Fujairah

Date : 07.05.2011

STATEMENT OF INCOME FOR THE YEAR ENDED 31 MARCH 2011

Particulars	Notes	2011 AED	2010 AED
INCOME			
Sales	17	6,338,456	-
Cost of sales	18	(3,973,369)	(160,053)
GROSS PROFIT/(LOSS)		2,365,087	(160,053)
Other income		6,852	-
TOTAL INCOME		2,371,939	(160,053)
EXPENSES			
Administration and general expenses	19	1,356,582	877,365
Finance charges	20	69,987	26,273
Depreciation	3	376,799	8,108
		1,803,368	911,746
Net profit/(loss) for the year		568,571	(1,071,799)

STATEMENT OF CHANGES IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 31 MARCH 2011

Year to 31 March 2011	Share capital	Shareholders' current accounts	Accumulated (losses)	Total
	AED	AED	AED	AED
Balance at 1 April 2010	150,000	1,509,336	(1,311,338)	347,998
Additional share capital introduced	2,850,000	-	-	2,850,000
Net profit for the year	-	-	568,571	568,571
Net movements in current accounts	-	4,906,539	-	4,906,539
Balance at 31 March 2011	3,000,000	6,415,875	(742,767)	8,673,108

Year to 31 March 2010	Share capital	Shareholders' current accounts	Accumulated (losses)	Total
	AED	AED	AED	AED
Balance at 1 April 2009	150,000	299,016	(239,539)	209,477
Net (loss) for the year	-	-	(1,071,799)	(1,071,799)
Net movements in current accounts	-	1,210,320	-	1,210,320
Balance at 31 March 2010	150,000	1,509,336	(1,311,338)	347,998

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

Particulars	2011 AED	2010 AED
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit/(loss) for the year	568,571	(1,071,799)
Adjustment for:		
Depreciation	376,799	8,108
Provision for employees' terminal benefits	16,707	16,556
Operating profit/(loss) before working capital changes	962,077	(1,047,135)
(Increase) in inventories	(10,932,646)	(851,521)
(Increase) in accounts receivable	(5,521,247)	-
Decrease in deposits, advances and prepayments	303,289	1,522,922
Increase in accounts payable and accruals	2,755,012	637,536
(Decrease)/Increase in amounts due to related party	(15,533,773)	5,040,681
Decrease/(increase) in margin money deposit with banks	52,185	(52,185)
Net cash (used in)/from operating activities	(27,915,103)	5,250,298
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(42,598,613)	(69,500)
Decrease/(increase) in capital work in progress	35,442,723	(20,333,166)
Net cash (used in) investing activities	(7,155,890)	(20,402,666)
CASH FLOWS FROM FINANCING ACTIVITIES		
Additional share capital introduced	2,850,000	-
Net movement in current accounts	4,906,539	1,210,320
Share application money	27,849,627	-
Increase in term loans	159,048	62,753
(Decrease)/increase in short term loan from related party	(542,430)	13,560,733
Net cash from financing activities	35,222,784	14,833,806
Net increase/(decrease) in cash and cash equivalents	151,791	(318,562)
Cash and cash equivalents at beginning of the year	424,556	743,118
Cash and cash equivalents at end of the year	576,347	424,556
CASH AND CASH EQUIVALENTS COMPRISES:		
Cash and bank balances	576,347	476,741
Margin money deposit under lien	-	(52,185)
	576,347	424,556

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

1 LEGAL STATUS AND ACTIVITY :

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.

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. The Company has commenced commercial operations during the year.

Shareholding pattern : During the year shareholding pattern of the Company has been re-constituted and share capital of the company has been increased to AED 3,000,000 (20,000 shares of AED 150 each) as per amendment to the Memorandum of Association of the Company dated 30 December 2010. The revised shareholding pattern of the Company at end of the year under review was as follows:-

Name of the shareholder	Nationality	No of shares	% of holding
1) M/s Golden Harvest Middle East (FZC)	UAE	15,000	75%
2) M/s Mirabelle Holding FZC	UAE	3,000	15%
3) Dr. Jimmy Mirchandani	Indian	1,000	5%
4) Mrs. Sarasa Mirchandani	Indian	550	2.75%
5) Mr. Subramani Shankaranarayan Chalakudi	Indian	50	0.25%
6) Mr. Akshay Mirchandani	Indian	400	2%
Total		20,000	100%

Management : As per the license issued by Fujairah Free Zone Authority, Subramani Shankaranarayan Chalakudi has been appointed as Director of the Company.

Accounting period : These financial statements relate to the period from 1 April 2010 to 31 March 2011.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

2.1 Basis of preparation

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) that are relevant to the operations of the Company.

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

Basis of measurement

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

2.2 Changes in accounting policies

There have been new and revised standards and Interpretations issued by IASB and IFRIC that are applicable for accounting periods commencing 1 January 2010. Considering the operations of the Company, the aforesaid standards and interpretations have no effect on accounting and presentation of these financial statements.

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

- Amendments to IAS 24 'Related party disclosures' has simplified the definition of a related party, clarifying its intended meaning and eliminated inconsistencies from the definition. The amendments have also provided a partial exemption from the disclosure requirements for government-related entities. An entity shall apply this IFRS for annual periods beginning on or after 1 January 2011, though earlier application is permitted.
- IFRS 9 'Financial Instruments' was issued partially in November 2009 and will eventually replace IAS 39 'Financial Instruments: Recognition and Measurement'. The chapters issued in November 2009 related to the classification and measurement of financial assets. An entity shall apply this IFRS for annual periods beginning on or after 1 January 2013, though earlier application is permitted.

2.3 Significant accounting policies

a Property, plant and equipment

Property, plant and equipment are initially recorded at cost together with any incidental expenses of acquisition or construction. Subsequently they are stated at cost less accumulated depreciation and accumulated impairment losses.

Major costs incurred in restoring property, plant and equipment to their normal working condition are charged to the income statement. Improvements are capitalized and depreciated over their expected useful lives.

b Depreciation

The cost of property, plant and equipment is depreciated by equal annual installments over the estimated useful lives of the assets. The estimated useful lives of the assets for the calculation of depreciation are as follows:

Building	20 years
Machinery	10 years
Furniture, fixture and office equipment	5 years
Motor vehicle	5 years

c Inventories

Inventories have been valued at lower of cost and net realisable value, after making due allowance for any obsolete and slow moving items. Cost is determined by weighted average method. Net realisable value is determined on estimated selling price less any estimated cost of disposal.

d Accounts receivable

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

e 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.

f Accounts payable and accruals

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

g Finance charges

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

h Cash and cash equivalents

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

i Employees' terminal benefits

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

j Financial instruments

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

k Financial liabilities

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

l Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from the past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

Contingent liabilities are not recognized but are disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognized as provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When an inflow is virtually certain, an asset is recognized.

2.4 Significant accounting estimates

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

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

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

Impairment of accounts receivable

An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and an allowance applied according to the length of time past due, based on historical recovery rates. Any difference between the amounts actually collected in future periods and the amounts expected to be collected will be recognized in the income statement.

3 PROPERTY, PLANT AND EQUIPMENT

Movement in property, plant and equipment are given on page number 20.

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

4 CAPITAL WORK IN PROGRESS

	2011 AED	2010 AED
Beginning balance	35,442,723	15,109,557
Additions during the year	-	20,333,166
Transferred to property, plant and equipment	(35,442,723)	-
Ending balance	-	35,442,723

5 INVENTORIES

	2011 AED	2010 AED
Raw materials	10,666,600	851,521
Finished goods	1,056,122	-
Packing materials	61,445	-
	11,784,167	851,521

6 ACCOUNTS RECEIVABLE

	2011 AED	2010 AED
Accounts receivable	5,521,247	-
	5,521,247	-

(i) At the balance sheet date net accounts receivable is due from one customer.

(ii) The aging analysis of the accounts receivable are as follows:

	2011 AED	2010 AED
Due for less than 6 months	5,521,247	-
Due for more than 6 months	-	-
	5,521,247	-

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

7 DEPOSITS, ADVANCES AND PREPAYMENTS

	2011 AED	2010 AED
Prepayments	670,532	180,300
Deposits	84,533	58,700
Advance to suppliers	66,805	915,707
Staff advance	783	-
Deferred interest on motor vehicle loan	39,827	11,062
	<u>862,480</u>	<u>1,165,769</u>

8 CASH AND BANK BALANCES

	2011 AED	2010 AED
Cash in hand	3,574	32,102
Current account with banks	572,773	392,454
Margin money deposit with banks	-	52,185
	<u>576,347</u>	<u>476,741</u>

9 SHARE CAPITAL

	2011 AED	2010 AED
Authorised, issued and paid-up capital (2011 : 20,000 shares of AED 150 each) (2010 : 1,000 shares of AED 150 each)	3,000,000	150,000
	<u>3,000,000</u>	<u>150,000</u>

10 SHAREHOLDERS' CURRENT ACCOUNTS

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

11 SHARE APPLICATION MONEY

Share application money represents amount received from Golden Harvest Middle East FZC, Sharjah Airport International Free Zone, United Arab Emirates, a shareholder of the Company towards advance for allotment of shares of the Company.

12 PROVISION FOR EMPLOYEES' TERMINAL BENEFITS

The provision for end of service benefits for employees is made in accordance with the requirements of the U.A.E. Labour Laws. This is an unfunded defined benefits retirement plan. Employees are entitled to benefits based on length of service and final remuneration. Accrued employees' terminal benefits are payable on termination of employment. The cost of providing these benefits is charged as an expense on an annual basis and the charge for the year ended 31 March 2011 amounted to AED 16,707.

13 TERM LOANS

	2011 AED	2010 AED
Motor Vehicle loan	221,801	62,753
	<u>221,801</u>	<u>62,753</u>

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

	2011 AED	2010 AED
Short term portion	62,172	17,928
Long term portion	<u>159,629</u>	<u>44,825</u>

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

14 ACCOUNTS PAYABLE AND ACCRUALS

	2011 AED	2010 AED
Accounts payable	3,089,200	2,272,650
Accrued expenses	111,351	10,389
Other payables	3,307,500	1,470,000
	<u>6,508,051</u>	<u>3,753,039</u>

15 SHORT TERM LOAN FROM A RELATED PARTY

This represents short term, unsecured loan taken from M/s Golden Harvest Middle East FZC, Sharjah United Arab Emirates, the shareholder of the Company which bears interest at bank rates and are repayable on demand.

16 RELATED PARTY TRANSACTIONS

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

The prices and terms of these transactions were approved by the management and considered comparable to those charged by third parties. Amount due to related parties do not attract interest and are payable on demand.

Amounts due to related parties

	2011 AED	2010 AED
Golden Harvest Middle East FZC	-	15,137,987
Mirabelle Holdings	-	5,119,080
Aries Agro Ltd, Mumbai, India	<u>4,723,294</u>	<u>-</u>
	<u>4,723,294</u>	<u>20,257,067</u>

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

	2011 AED	2010 AED
Sales	486,938	-
Purchases	14,222	-
Salary expenses	<u>120,000</u>	<u>120,000</u>

17 SALES

	2011 AED	2010 AED
Trading	3,031,875	-
Manufacturing	<u>3,306,581</u>	<u>-</u>
	<u>6,338,456</u>	<u>-</u>

18 COST OF SALES

	2011 AED	2010 AED
Opening stock	851,521	-
Materials purchased for trial run production	-	806,762
Purchases	12,937,881	-
Direct expenses	1,968,134	204,812
Less: Closing inventory	<u>(11,784,167)</u>	<u>(851,521)</u>
	<u>3,973,369</u>	<u>160,053</u>

19 ADMINISTRATION AND GENERAL EXPENSES

	2011 AED	2010 AED
Salaries and benefits	381,412	181,366
Rent expenses	489,438	427,917
Communication expenses	87,332	21,621
Legal and professional charges	53,098	67,549
Advertisement and business promotion expenses	17,420	-
Insurance charges	32,791	41,157
Office expenses	27,455	41,150
Repairs and maintenance	17,519	1,285
Commission expenses	3,500	14,500
Vehicle running expenses	53,949	11,977
Visa expenses	41,886	14,555
Miscellaneous expenses	82,520	6,505
Printing and stationery	7,380	1,265
Travelling expenses	49,041	42,104
Water and electricity charges	11,841	4,414
	<u>1,356,582</u>	<u>877,365</u>

20 FINANCE CHARGES

	2011 AED	2010 AED
Bank charges	28,282	12,569
Loss on currency exchange fluctuation	38,544	12,124
Interest on motor vehicle loan	3,161	1,580
	<u>69,987</u>	<u>26,273</u>

21 FINANCIAL RISK AND CAPITAL MANAGEMENT

21.1 Financial risk factors

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

The management believes that the fair values of the financial assets and liabilities approximate to their carrying amounts.

The Company's financial risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects of the financial performance. Under the Company's risk management programme, management identifies and documents key risks and sets out policies and procedures required to mitigate these risks. The identified key risks are:

a) Currency risk

The majority of the Company's financial assets and financial liabilities are either denominated in local currency (AED) or currencies fixed to the AED. Hence the management believes that there would not be a material impact on the profitability if these foreign currencies weakens or strengthens against the AED with all over variables held constant.

b) Interest rate risk

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

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

c) Credit risk

The Company is potentially exposed to concentration of credit risk from its financial assets which comprise principally bank balances and accounts receivable. The Company's bank accounts are placed with high credit quality financial institutions. The credit risk on accounts receivable is subjected to credit evaluations and an allowance has been made for estimated irrecoverable amounts. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The Company is not exposed to any significant concentration of credit risk because its exposure is spread over financial institutions and a large number of customers.

d) Liquidity risk

The Company manages its liquidity risk by ensuring it has sufficient liquid cash balances to meet its payment obligations as they fall due. The Company maintains good working relations with its banks and ensures compliance with the covenants as stipulated in facility agreements.

21.2 Capital Management

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders by pricing products and services commensurately with the level of risk.

The Company sets the amount of capital funds in accordance with the planned level of operations and in proportion to the levels of risk. The Company manages the shareholders' funds and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the shareholders' funds, the Company may adjust the amount of dividends paid to shareholders, return funds to shareholders, issue new shares, or sell assets to reduce its exposure to debt.

22 COMMITMENTS

	2011 AED	2010 AED
(a) Capital commitments		
Value of unexpired contract entered into for :-		
(i) Transfer of technology and development of sulphur plant.	-	918,750
	<u>-</u>	<u>918,750</u>
(b) Commitments as a lessee under operating leases on land leased from Fujairah Free Zone Authority for a initial period of 10 years.		
(i) Not later than one year from balance sheet date	192,000	192,000
(ii) 1-5 years post balance sheet date	768,000	768,000
(iii) More than five years post balance sheet date	272,000	464,000
	<u>1,232,000</u>	<u>1,424,000</u>

23 CONTINGENT LIABILITIES

Letters of credit

2011 AED

-

2010 AED

52,578

24 COMPARATIVE FIGURES

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

25 LEVEL OF PRECISION

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

3 PROPERTY, PLANT AND EQUIPMENT

Particulars	Building	Machineries	Furniture, fixtures and office equipments	Motor vehicles	Total
	AED	AED	AED	AED	AED
Cost:					
at 1 April 2010	-	-	-	69,500	69,500
additions/capitalised during the year	14,319,269	27,982,702	137,142	159,500	42,598,613
at 31 March 2011	14,319,269	27,982,702	137,142	229,000	42,668,113
Depreciation:					
at 1 April 2010	-	-	-	8,108	8,108
charge for the year	74,028	279,829	2,836	20,106	376,799
at 31 March 2011	74,028	279,829	2,836	28,214	384,907
Net book values:					
at 31 March 2011	14,245,241	27,702,873	134,306	200,786	42,283,206
at 31 March 2010	-	-	-	61,392	61,392

NOTICE OF 5th ANNUAL GENERAL MEETING

Notice is hereby given that the Fifth Annual General Meeting of the Members of **ARIES AGRO CARE PRIVATE LIMITED** will be held on Monday, 26th September, 2011 at 10.30 AM at the Registered office of the Company at Aries House, Plot No. 24, Deonar, Govandi (East), Mumbai – 400 043 to transact the following business:-

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March, 2011 and Profit and Loss Account for the year ended as on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint Director in place of Dr. Jimmy Mirchandani who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s. Kirti D. Shah & Associates, Chartered Accountants, Mumbai, as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

By Order of the Board
For **Aries Agro Care Private Limited**

Dr. Jimmy Mirchandani
Director

Place: Mumbai
Date: 30th June, 2011

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE LODGED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

DIRECTOR'S REPORT

To,
The Members of
Aries Agro Care Private Limited

Your Directors are pleased to present their Fifth Annual Report together with Audited Statement of Accounts of the Company for the period ended 31st March, 2011.

1. FINANCIAL RESULTS :

During year under review the Company generated a turnover of ₹ 4,671,128/- as against the previous year of ₹ 8,006,050/-. The Company has incurred a loss of ₹ 847,154/- as compared to Profit after tax of ₹ 467,014/-.

2. CURRENT STATUS

In view of the extremely volatile nature of the seeds business, your Directors feel that it is most prudent to go slow.

3. DIVIDEND :

Since the Company has incurred losses your Directors do not recommend any Dividend.

4. DEPOSITS :

The Company has not accepted any Fixed Deposits from the Public.

5. PARTICULARS OF EMPLOYEES :

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

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

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

7. DIRECTORS:

In accordance with the Companies Act, 1956 and the Articles of Association of the Company, Dr. Jimmy Mirchandani retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Accordingly his re-appointment forms part of the notice of ensuing AGM.

8. AUDITORS :

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

9. DIRECTORS RESPONSIBILITY STATEMENT

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

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

10. ACKNOWLEDGEMENT :

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

**By Order of the Board
For Aries Agro Care Private Limited**

**Dr. Jimmy Mirchandani
Director**

**Dr. Rahul Mirchandani
Director**

**Place : Mumbai
Date : 30th June, 2011**

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

- i. We have audited the attached Balance sheet of **ARIES AGRO CARE PRIVATE LIMITED**, as at 31st March, 2011 and also the annexed Profit & Loss Account and Cash flow statement of the Company for the period ended on that date. These financial statements are responsibility of the company management. Our responsibility is to express an opinion on these financial statements based on our audit.
- ii. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes
- (a) examining, on a test basis, evidence to support the financial statement amounts and disclosures in the financial statement
 - (b) assessing the accounting principles used in the preparation of financial statements
 - (c) assessing significant estimates made by the management in the preparation of the financial statements and
 - (d) Evaluating overall financial statement presentation.
- We believe that our audit provides a reasonable basis for our opinion
- iii. As required by the companies (Auditor Report) Order, 2003 as amended by companies (Auditor's Report) Amendment Order, 2004 (together the "Order") issued by the Central Government of India in terms of subsection (4A) of section 227 of the Companies Act, 1956 of India (the "Act") are not applicable to the company.
- iv. Further, we report that:
- a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - b. In our opinion, proper books of accounts as required by law, have been kept by the Company so far as appears from our examination of the books of the Company;
 - c. The Balance Sheet and Profit & Loss Account and the Cash Flow statement referred to in this report are in agreement with the books of accounts of the Company
 - d. On the basis of written representations received from the directors, and taken on record by the Board of Directors, in our opinion, none of the directors is disqualified from being appointed as director u/s 274(l)(g) of Companies Act, 1956;
 - e. In our opinion, the Balance Sheet and Profit & Loss Account dealt with by, this report comply with all material respects with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - f. The company is not a sick company within the meaning of section 3(1)(o) of the SICA Act, 1985. Hence there is no question of payment of cess as required under section 441A of Companies Act;
 - g. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit & Loss Account and the Cash Flow statement, together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in Conformity with the accounting principles generally accepted in India.
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011.
 - ii. in the case of the Profit and Loss Account, of the loss of the Company for the period ended on that date.
 - iii. in the case of the Cash Flow statement, of the cash flows of the Company for the period ended on that date.

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

Kirti D. Shah
Proprietor
Membership No. 32371

Place : Mumbai
Date : 30th June, 2011

ANNEXURE TO THE AUDITORS' REPORT

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

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

- i. a. The company does not have any Fixed assets hence maintenance of records showing full particulars including quantitative details and situation of its fixed assets does not arise.
- b. The company does not have any Fixed assets hence the question of physical verification & material discrepancies of the same does not arise.
- c. No parts of fixed assets have been disposed off during the period, which will affect its status as going concern.
- ii. a. The stock of inventory has been physically verified during the period by the management at reasonable intervals.
- b. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c. The company is maintaining proper records of inventory. No discrepancies were noticed on physical verification of stocks as compared to book records and hence the question of whether the same have been properly dealt with the books of accounts does not arise.
- iii. a. The company has taken loan from one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the period ended 31/03/2011 is ₹ 12,204,327/- (Previous Year ₹ 12,204,327/-) and closing balance as on 31/03/2011 is ₹ 10,349,327/- (Previous Year ₹ 12,204,327/-)

The Company has not given interest free advances to any parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

- b. As per information and explanation provided to us, the company has not granted any loans which are interest free. However other terms and conditions on which such loans and advances given to Companies, Firms or Other Parties listed in the Register maintained under section 301 are not, prima facie, prejudicial to the interest of the Company.
- c. The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest wherever applicable
- d. As per the information given by the management, in case of overdue amount more than ₹ 1.00 lakh, the reasonable steps have been taken by the company for recovery of the principal and Interest.
- iv. In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. In our opinion, there is no continuing failure to correct major weaknesses in internal control.
- v. a. According to the information and explanation provided by the management, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the Register maintained under section 301 have been so entered.
- b. The transactions made in pursuance of contracts or arrangements entered in the Register maintained under section 301 and exceeding value of Rupees Five Lakhs in respect of any party during the period have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted deposits from the public. Hence, the question of complying the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Act and the rules framed there under, where applicable, does not arise.
- vii. The paid up capital and reserve and surplus does not exceed 50 lacs as at the commencement of the financial year concerned or average annual turnover does not exceed 5 crore rupee for a period of three consecutive financial year immediately preceeding the financial year concerned. Accordingly applicability of internal audit does not arise.
- viii. Maintenance of the cost records that has been prescribed by the Central Government under section 209 (1) (d) of the act are not applicable to the company.
- ix. a. The company is generally regular in depositing statutory dues including Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues except on occasional delays.
- b. Details of disputed liability in respect of tax dues on account of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess together with the status and the Forum before which such dispute is pending as on 31st March 2011 is ₹ NIL.
- x. As the company is registered for a period of less than five years, the provisions of clause (x) of Companies Auditor Report Order, 2003 are not applicable to Company.
- xi. The company has not defaulted in repayment of dues to a financial institution or bank. The Company has not obtained any borrowings by way of debenture.
- xii. According to the records of the company, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

Aries Agro Care Private Limited

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

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

Kirti D. Shah

Proprietor

Membership No. 32371

Place: Mumbai

Date: 30th June, 2011

BALANCE SHEET AS AT 31ST MARCH, 2011

Particulars	Schedule No.	As At 31st March 2011 Rupees	As At 31st March 2010 Rupees
I SOURCE OF FUNDS			
SHAREHOLDERS' FUNDS			
(a) Share Capital	1	100,000	100,000
		<u>100,000</u>	<u>100,000</u>
LOAN FUNDS			
(a) Unsecured Loans	2	10,349,327	12,204,327
		<u>10,349,327</u>	<u>12,204,327</u>
TOTAL		<u>10,449,327</u>	<u>12,304,327</u>
II APPLICATION OF FUNDS			
DEFERRED TAX ASSETS		378,829	—
CURRENT ASSETS, LOANS & ADVANCES			
(a) Inventories	3	3,878,684	11,460,795
(b) Sundry Debtors	4	2,072,589	1,193,942
(c) Cash & Bank Balances	5	121,614	291,927
(d) Loans & Advances	6	3,391,085	3,391,781
		<u>9,463,972</u>	<u>16,338,445</u>
Less: CURRENT LIABILITIES AND PROVISIONS			
(a) Current Liabilities	7	793,445	4,699,098
(b) Provisions		—	140,000
		<u>793,445</u>	<u>4,839,098</u>
NET CURRENT ASSETS		8,670,528	11,499,347
MISCELLANEOUS EXPENDITURE	8	503,687	755,530
(To the extent not written off or adjusted)			
PROFIT & LOSS A/C (DEBIT BALANCE)	9	896,284	49,450
TOTAL		<u>10,449,327</u>	<u>12,304,327</u>
Significant Accounting Policies and Notes to Accounts	15		

As per our Report of even date

For and on behalf of the Board

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

Dr Jimmy Mirchandani
Director

Dr Rahul Mirchandani
Director

Kirti D Shah
Proprietor
Membership No 32371

Place : Mumbai.
Date : 30th June, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	Schedule No.	Year ended 31st March 2011 Rupees	Year ended 31st March 2011 Rupees
I. INCOME			
(a) Sales		4,546,550	8,005,354
(b) Other Income	10	124,578	696
Total Revenue		4,671,128	8,006,050
II. EXPENDITURE			
(a) Cost of Sales (Traded Goods)	11	5,084,588	4,271,686
(b) Manufacturing / Direct Expenses	12	12,161	1,079,928
(c) Interest and Financial charges		—	—
(d) Payment to & for Employees	13	76,531	320,920
(e) Administration, Selling & Other Expenses	14	471,989	1,293,708
(f) Amortisations		251,843	246,844
		5,897,111	7,213,086
III. Profit / (Loss) Before Tax		(1,225,983)	792,964
IV. Provision for Taxation			
(i) Income tax			
Current Tax (MAT Payable)		—	95,000
Deferred Tax		(378,829)	230,950
(ii) Wealth tax		—	—
		(378,829)	325,950
V Profit / (Loss) After Tax		(847,154)	467,014
Less : – Short Provision for Tax in Earlier Years		(321)	—
VI Balance brought forward from Previous Year		(49,450)	(516,464)
VII Amount available for Appropriations		(896,284)	(49,450)
VIII Balance Carried to Balance Sheet		(896,284)	(49,450)
Basic & Diluted Earning Per Share of Face Value of ₹ 10 each (Rs)		(84.68)	46.70
Significant Accounting Policies and Notes to Accounts	15		

As per our Report of even date
For and on behalf of the Board

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

Dr Jimmy Mirchandani
Director

Dr Rahul Mirchandani
Director

Kirti D Shah
Proprietor
Membership No 32371

Place : Mumbai.
Date : 30th June, 2011

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2011

Particulars	Rupees in Lacs	
	Year Ended 31-Mar-11	Year Ended 31-Mar-10
A) Cash Flow from Operating Activities :-		
Net Profit Before Tax and Extraordinary Items	(12.26)	7.93
Adjustments for :-		
Miscellaneous Expenses Written Off	2.52	2.47
Income Tax & Fringe Benefit Tax paid	-	(0.95)
Prior Period Expenses	-	0.25
Interest / Dividend being income from Investing Activities	-	(0.01)
Cash Flows from Operations before Working Capital Changes	(9.74)	9.69
(Increase) / Decrease in Inventories	75.82	(20.11)
(Increase) / Decrease in Trade Receivables	(8.79)	(9.34)
(Increase) / Decrease in Loans & Advances	0.01	(6.24)
Increase / (Decrease) in Current Liabilities and Provisions	(40.46)	16.97
Cash Flow from Operating Activities	<u>16.84</u>	<u>(9.03)</u>
B) Cash Flow from Investing Activities :-		
Interest Received	-	0.01
Cash Flow from Investing Activities	<u>-</u>	<u>0.01</u>
C) Cash Flow from Financing Activities :-		
Increase / (Decrease) in Borrowings	(18.55)	9.52
Cash Flow from Financing Activities	(18.55)	9.52
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(1.71)	0.49
Cash & Cash Equivalents as at 1st April	2.92	2.43
Cash & Cash Equivalents as at 31st March as per schedule - 5	1.22	2.92

As per our Report of even date

For and on behalf of the Board

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

Dr Jimmy Mirchandani
Director

Dr Rahul Mirchandani
Director

Kirti D Shah
Proprietor
Membership No 32371

Place : Mumbai.
Date : 30th June, 2011

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET

Particulars	As At 31st March 2011 Rupees	As At 31st March 2010 Rupees
SCHEDULE 1 - SHARE CAPITAL		
Authorised		
10,000 Equity Shares of ₹ 10/- each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
Issued, Subscribed and Paid up Capital		
10,000 Equity Shares of ₹ 10/- each	100,000	100,000
PER BALANCE SHEET	<u>100,000</u>	<u>100,000</u>
SCHEDULE 2 - UNSECURED LOANS		
FROM COMPANIES		
(i) Loan from Holding Company - Aries Agro Limited	10,349,327	12,204,327
PER BALANCE SHEET	<u>10,349,327</u>	<u>12,204,327</u>
SCHEDULE 3 - INVENTORIES		
(At lower of cost or Net Realisable Value)		
Certified and valued by management)		
Finished Goods	220,875	7,802,025
Packing Material	3,657,809	3,658,770
PER BALANCE SHEET	<u>3,878,684</u>	<u>11,460,795</u>
SCHEDULE 4 - SUNDRY DEBTORS		
Unsecured - Considered Good		
Outstanding for a period exceeding six months	2,072,589	496,346
Others	-	697,596
PER BALANCE SHEET	<u>2,072,589</u>	<u>1,193,942</u>
SCHEDULE 5 - BANK BALANCES		
- With Scheduled Banks in Current Account	56,614	226,927
- Fixed Deposits with Banks	65,000	65,000
PER BALANCE SHEET	<u>121,614</u>	<u>291,927</u>
SCHEDULE 6 - LOANS & ADVANCES		
Advances recoverable in cash or in kind or for value to be received		
- Advances to Suppliers	3,314,085	3,314,085
Sundry Deposits	32,000	32,000
Interest Accrued on Fixed Deposits	-	696
MAT Credit Entitlement	45,000	45,000
PER BALANCE SHEET	<u>3,391,085</u>	<u>3,391,781</u>

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET

Particulars	As At 31st March 2011 Rupees	As At 31st March 2010 Rupees
SCHEDULE 7 - CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
(a) Sundry Creditors		
(i) For Goods	389,669	2,874,864
(ii) For Expenses	243,220	619,819
(b) Advances from Customers	160,556	1,204,415
	<u>793,445</u>	<u>4,699,098</u>
Provisions :		
For Taxation		
Income Tax	-	140,000
	-	140,000
PER BALANCE SHEET	<u>793,445</u>	<u>4,839,098</u>
SCHEDULE 8 - MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Pre-Operative Expenses		
Balance B/f	755,530	1,027,374
	<u>755,530</u>	<u>1,027,374</u>
Less : - Sales Tax Deposit transferred	-	25,000
Less : - 1/5 th Written Off to Profit & Loss A/c	251,843	246,844
PER BALANCE SHEET	<u>503,687</u>	<u>755,530</u>
SCHEDULE 9 - PROFIT & LOSS A/C (DEBIT BALANCE)		
Profit & Loss Account (as per annexed a/c)	896,284	49,450
PER BALANCE SHEET	<u>896,284</u>	<u>49,450</u>

SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT

Particulars	Year ended 31st March 2011 Rupees	Year ended 31st March 2010 Rupees
SCHEDULE 10 - OTHER INCOME		
Interest Income	-	696
Misc. / Other Income	1,848	-
Sundry Balance W/off	122,730	-
PER PROFIT AND LOSS ACCOUNT	124,578	696
SCHEDULE 11 - COST OF SALES (TRADED GOODS)		
1) Opening Stock	7,802,025	311,495
Add : Goods in Transit	-	5,500,000
Add : Purchases	1,016,796	5,846,120
	8,818,821	11,657,615
Less :- Purchase Return	3,514,319	-
Less : Closing Stock	220,875	7,802,025
	5,083,627	3,855,590
2) Opening Stock of Packing Materials	3,658,770	3,637,980
Add : Purchases	-	436,886
	3,658,770	4,074,866
Less : Closing Stock of Packing Materials	3,657,809	3,658,770
	961	416,096
Consumption of Materials (1 + 2)	5,084,588	4,271,686
SCHEDULE 12 - DIRECT EXPENSES		
Freight Inward	12,161	670,012
Processing Charges	-	398,474
Rent - Godown	-	11,442
PER PROFIT AND LOSS ACCOUNT	12,161	1,079,928
SCHEDULE 13 - PAYMENT TO & FOR EMPLOYEES		
Allowances	6,000	44,000
Funds / Contribution	-	31,920
Perks / Expenses	1,250	5,000
Salary	60,000	240,000
Staff Welfare Expenses	9,281	-
PER PROFIT AND LOSS ACCOUNT	76,531	320,920

SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT

Particulars	Year ended 31st March 2011 Rupees	Year ended 31st March 2010 Rupees
SCHEDULE 14 - ADMINISTRATION, SELLING & OTHER EXPENSES		
Selling Costs		
Advertisement & Publicity	34,764	24,905
Discount and Selling Expenses	-	530,524
Freight & Delivery Expenses	29,390	327,172
Selling Expenses	-	26,391
Travelling Expenses	48,594	92,163
	<u>112,748</u>	<u>1,001,155</u>
Other Administration Expenses		
Auditors Remuneration	22,060	22,060
Conveyance & Motor Car Expenses	17,632	60,045
Bank Charges	2,164	15,190
General Expenses - Office	10,066	47,424
Legal & Professional Charges	279,725	25,390
Postage & Telephones	3,801	7,566
Printing & Stationary	1,138	62,538
Rent, Rates & Taxes	22,655	52,340
	<u>359,241</u>	<u>292,553</u>
PER PROFIT AND LOSS ACCOUNT	<u>471,989</u>	<u>1,293,708</u>

SCHEDULE: 15**Notes to Accounts****1. Significant Accounting Policies****A. Basis of Preparation**

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

B. Use of Estimates

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

C. 1/5th of the Pre-operative expenses incurred are written off to the profit & loss account every year.**D. Fixed Assets and Depreciation**

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

E. Investments

Investments shall be stated at cost.

F. Inventory

- a) Raw material, packing materials, stores, spares and stock-in-transit valued at cost.
- b) Finished goods are valued at cost or market value whichever is lower. The cost includes expenses incurred in putting the inventories in their present location and condition.
- c) Waste and scrap will not be separately valued if insignificant in value.
- d) The Seeds are perishable in nature. Hence as and when seeds have germination of less than 90%, the said stock needs to be written off as such stock can only be sold as Fodder and not as materials. The sale of fodder is accounted in as and when sold and stock thereof is valued at market price as the fodder has negligible value as compared to cost.

G. Revenue Recognition

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

H. Employee Benefits

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

I. Earning Per Share

Basic earning per Share is calculated by dividing the net profit or loss for the year attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the year.

J. Impairment of Assets

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

K. Foreign Currency Transactions

The Company will follow the provisions of Accounting Standard 11 as prescribed by ICAI, However

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

All the accounting policies as mentioned above if not applicable at present will be applied at the relevant time.

2. Current Assets, Loan & Advances and Provisions

- a) The current assets and loans and advances are approximately of the value stated, if realized in the ordinary course of business.
- b) The provision for all known liabilities is not in excess of the amounts considered reasonably necessary.
- c) The balances of sundry creditors, sundry debtors and loans and advances are subject to confirmation.

3. Leave Encashment

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

4. Contingent Liability

- a) Guarantees issued to Revenue / Tax Authorities of ₹ 245,000/- (Previous Year ₹ 245,000/-)

5. Income Tax

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

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

6. Deferred Tax: Accounting Standard - 22

Sr No	Particulars	Year Ended 31 st March 2011	Year Ended 31 st March 2010
1.	Deferred tax assets as on 1 st April 2010	Nil	230,950
2.	Deferred tax liability/(asset) as on 31 st March 2011	(378,829)	Nil
3.	Deferred tax charged to Profit & Loss Account	(378,829)	230,950

7. Earnings per Share

Particulars	Year Ended 31 st March 2011	Year Ended 31 st March 2010
Net Profit after tax as per Profit & Loss Account attributable to Equity Shareholders	(846,833)	467,014
Net Profit before exceptional items	(846,833)	467,014
Weighted Average number of Equity Shares used as denominator for calculating EPS	10,000	10,000
Basic & Diluted Earning per Share (₹)	(84.68)	46.70
Basic & Diluted Earning before exceptional items per Share (₹)	(84.68)	46.70
Face Value per Equity Share	10	10

Aries Agro Care Private Limited

8. Related Party Disclosure

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

Part – A

Details of Related Parties- As per Accounting Standard 18

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

Part – B

Details of transaction with related parties

Sr No	Category	Nature of services	Year Ended 31 st March 2011	Year Ended 31 st March 2010
1	Holding company	Finance unsecured loan taken	-	6,425,729
		Finance unsecured loan given	1,855,000	5,453,756
2	Holding Company	Sales	3,958,589	-

Part – C

Balances outstanding with related parties

Nature of outstanding	Category	Name of the party	Balance Outstanding as on 31 st March 2011	Balance Outstanding as on 31 st March 2010
Unsecured loans	Holding company	Aries Agro Limited	10,349,327	12,204,327
Sundry Debtors	Holding Company	Aries Agro Limited	2,072,589	-
Creditors for Expenses	Holding Company	Aries Agro Limited	2,896	-

9. Auditors Remuneration

Particulars	Year Ended 31 st March 2011	Year Ended 31 st March 2010
a. Statutory audit fees	11,030	11,030
b. Tax audit fees	-	5,515
c. Taxation matters	11,030	5,515

10. In view of the seeds being perishable in nature, certain stock of seeds have been discarded / destroyed and the same could not be revalidated. The total quantity being 9,500 Kgs. However, the Company managed to sell the same as fodder for cattle and realized an amount of ₹ 58,040/-. The nature of seed being perishable, the said loss is in the normal course of seed business and also is considered as an inherent risk.

11. Foreign Exchange Earnings & Outflow:

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

12. Micro and Small Scale Business Entities

There are no micro and small Enterprises to whom company owes dues, which are outstanding for more than 45 days as at 31st March, 2011. 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.

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

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

Licensed Capacity : Not Applicable

Installed Capacity : Not Applicable

(B) Actual Production : NIL

(C) Quantitative and Turnover information :

	OPENING STOCK		Purchase of Traded Goods		Purchase Return of Traded Goods		SALES (Net of Returns)		CLOSING STOCK	
Particulars	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
	Kgs.	₹	Kgs.	₹	Kgs.	₹	Kgs.	₹	Kgs..	₹
Traded / Rebranded Goods	109,362	7,802,025	NIL	NIL	44,719	3,514,319	59,976	3,405,234	4,667	220,875
	(188,019)	(5,811,495)	(98,238)	(9,573,020)	(125,842)	(3,726,900)	(51,053)	(8,005,354)	(109,362)	(7,802,025)
Total	109,362	7,802,025	NIL	NIL	44,719	3,514,319	59,976	3,405,234	4,667	220,875
	(188,019)	(5,811,495)	(98,238)	(9,573,020)	(125,842)	(3,726,900)	(51,053)	(8,005,354)	(109,362)	(7,802,025)

Figures in bracket relate to previous year

14. Sundry balances include due from the Holding Company.

Name of the Party	Amount ₹
Aries Agro Ltd. (Balance as on 31/03/2011)	2,072,589
Maximum balance outstanding during the year	3,958,589

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

As per our Report of even date

For Kirti D Shah & Associates

Firm Registration No. 115133W

Chartered Accountants

Kirti D Shah

Proprietor

Membership No 32371

Place : Mumbai.

Date : 30th June, 2011

For and on behalf of the Board

Dr Jimmy Mirchandani

Director

Dr Rahul Mirchandani

Director

Additional Information as required under Part IV of Schedule VI of the Companies Act, 1956

I Registration Details

Registration No. : U 0 1 1 2 2 M H 2 0 0 7 P T C 1 6 6 7 6 1

State Code : 1 1

Balance Sheet Date : 3 1 0 3 2 0 1 1

II Capital Raised during the year

Public Issue : N I L

Rights Issue : N I L

Bonus Issue : N I L

Private Placement : N I L

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

Total Liabilities : 1 1 2 . 4 3

Total Assets : 1 1 2 . 4 3

Sources of Funds

Paid-up Capital : 0 1 . 0 0

Reserves & Surplus : N I L

Secured Loans : N I L

Unsecured Loans : 1 0 3 . 4 9

Application of Funds

Net Fixed Assets : N I L

Capital Work in Progress : N I L

Investments : N I L

Net Current Assets : 8 6 . 7 1

Miscellaneous Expenditure : 5 . 0 4

Profit & Loss Account (Debit Balance) : 8 . 9 6

IV Performance of the Company (Rupees in Lacs)

Turnover : 4 5 . 4 7

Total Expenditure : 5 8 . 9 7

Profit Before Tax : (1 2 . 2 6)

Profit After Tax : (8 . 4 7)

Earnings Per Share : (8 4 . 6 8)

Dividend Rate % : N I L

V Generic Names of Principal Products

Item Code No. (ITC Code) : 1 2 0 9 9 9 9 0

Product Description : Seeds for Sowing

As per our Report of even date

For and on behalf of the Board

For Kirti D Shah & Associates

Firm Registration No. 115133W

Chartered Accountants

Dr Jimmy Mirchandani

Director

Dr Rahul Mirchandani

Director

Kirti D Shah

Proprietor

Membership No 32371

Place : Mumbai.

Date : 30th June, 2011

NOTICE OF 5TH ANNUAL GENERAL MEETING

Notice is hereby given that the Fifth Annual General Meeting of the Members of **ARIES AGRO EQUIPMENTS PRIVATE LIMITED** will be held on Monday, 26th September, 2011 at 11.30 a.m. at the Registered office of the Company at Aries House, Plot No. 24, Deonar, Govandi (East), Mumbai-400 043 to transact the following business:-

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March, 2011 and Profit and Loss Account for the year ended as on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint Director in place of Dr. Jimmy Mirchandani who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s. Kirti D. Shah & Associates, Chartered Accountants, Mumbai, as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

**By Order of the Board
For Aries Agro Equipments Private Limited**

**Dr. Jimmy Mirchandani
Director**

Place: Mumbai

Date: 30th June, 2011

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE LODGED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

DIRECTOR'S REPORT

To,

The Members of
Aries Agro Equipments Private Limited.

Your Directors are pleased to present their Fifth Annual Report together with Audited Statement of Accounts of the Company for the year ended 31st March, 2011.

1. FINANCIAL RESULTS :

The Company generated a turnover of ₹ 35,813,350/- as against the expenses of ₹ 29,583,081/-. The Profit of the Company after tax was ₹ 4,180,269/- as compared to Profit of ₹ 1,305,790/- in the previous year.

2. CURRENT STATUS :

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

3. DIVIDEND :

With a view to conserve the internal accruals your Directors have not recommended any dividend for the period under review.

4. DEPOSITS :

The Company has not accepted any Fixed Deposits from the Public.

5. PARTICULARS OF EMPLOYEES :

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

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

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

7. DIRECTORS:

In accordance with the Companies Act, 1956 and the Articles of Association of the Company, Dr. Jimmy Mirchandani retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Accordingly his re-appointment forms part of the notice of ensuing AGM.

8. AUDITORS :

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

9. DIRECTORS RESPONSIBILITY STATEMENT

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

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

10. ACKNOWLEDGEMENT :

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

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

Dr. Jimmy Mirchandani
Director

Dr. Rahul Mirchandani
Director

Place : Mumbai

Date : 30th June, 2011

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

- i. We have audited the attached Balance sheet of **ARIES AGRO EQUIPMENTS PRIVATE LIMITED**, as at 31st March, 2011 and also the annexed Profit & Loss Account and Cash flow statement of the Company for the period ended on that date. These financial statements are responsibility of the company management. Our responsibility is to express an opinion on these financial statements based on our audit.
- ii. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes
- (a) examining, on a test basis, evidence to support the financial statement amounts and disclosures in the financial statement
 - (b) assessing the accounting principles used in the preparation of financial statements
 - (c) assessing significant estimates made by the management in the preparation of the financial statements and
 - (d) Evaluating overall financial statement presentation.
- We believe that our audit provides a reasonable basis for our opinion
- iii. As required by the companies (Auditor Report) Order,2003 as amended by companies (Auditor's Report) Amendment Order, 2004 (together the "Order") issued by the Central Government of India in terms of subsection (4A) of section 227 of the Companies Act, 1956 of India (the "Act") are not applicable to the company.
- iv. Further, we report that:
- a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - b. In our opinion, proper books of accounts as required by law, have been kept by the Company so far as appears from our examination of the books of the Company;
 - c. The Balance Sheet and the Profit & Loss Account and Cash Flow statement referred to in this report are in agreement with the books of accounts of the Company
- d. On the basis of written representations received from the directors, and taken on record by the Board of Directors, in our opinion, none of the directors is disqualified from being appointed as director u/s 274(l)(g) of Companies Act, 1956;
- e. In our opinion, the Balance Sheet and Profit & Loss Account dealt with by, this report comply with all material respects with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- f. The company is not a sick company within the meaning of section 3(1)(o) of the SICA Act, 1985. Hence there is no question of payment of cess as required under section 441 A of Companies Act;
- g. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit & Loss Account and the Cash Flow statement, together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in Conformity with the accounting principles generally accepted in India.
- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011.
 - ii. in the case of the Profit and Loss Account, of the Profit of the Company for the period ended on that date.
 - iii. in the case of the Cash Flow statement, of the cash flows of the Company for the period ended on that date.

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

Kirti D. Shah
Proprietor

Place: Mumbai
Date: 30th June, 2011

Membership No. 32371

ANNEXURE TO THE AUDITORS' REPORT

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

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

- i. a. The company does not have any Fixed assets hence maintenance of records showing full particulars including quantitative details and situation of its fixed assets does not arise.
- b. The company does not have any Fixed assets hence the question of physical verification & material discrepancies of the same does not arise.
- c. No parts of fixed assets have been disposed off during the period, which will affect its status as going concern.
- ii. a. The stock of inventory has been physically verified during the period by the management at reasonable intervals.
- b. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c. The company is maintaining proper records of inventory. No discrepancies were noticed on physical verification of stocks as compared to book records and hence the question of whether the same have been properly dealt with the books of accounts does not arise.
- iii. a. The company has taken loan from one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was ₹ 1,13,98,644/- (Previous Year ₹ 1,13,38,644/-) and closing balance as on 31/03/2011 is ₹ 91,03,644/- (Previous Year ₹ 1,13,38,644/-)

The Company has not given interest free advances to any parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- b. As per information and explanation provided to us, the company has not granted any loans which are interest free. However other terms and conditions on which such loans and advances given to Companies, Firms or Other Parties listed in the Register maintained under section 301 are not, prima facie, prejudicial to the interest of the Company.
- c. The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest wherever applicable
- d. As per the information given by the management, in case of overdue amount more than ₹ 1.00 lakh, the reasonable steps have been taken by the company for recovery of the principal and Interest.
- iv. In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. In our opinion, there is no continuing failure to correct major weaknesses in internal control.
- v. a. According to the information and explanation provided by the management, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the Register maintained under section 301 have been so entered.
- b. The transactions made in pursuance of contracts or arrangements entered in the Register maintained under section 301 and exceeding value of Rupees Five Lakhs in respect of any party during the period have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted deposits from the public. Hence, the question of complying the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Act and the rules framed there under, where applicable, does not arise.
- vii. The paid up capital and reserve and surplus does not exceed 50 lacs as at the commencement of the financial year concerned or average annual turnover does not exceed 5 crore rupee for a period of three consecutive financial year immediately preceding the financial year concerned. Accordingly applicability of internal audit dose not arise.
- viii. Maintenance of the cost records that has been prescribed by the Central Government under section 209 (1) (d) of the act are not applicable to the company.
- ix. a. The company wherever applicable is regular in depositing statutory dues including Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues except on occasional delays.
- b. Details of disputed liability in respect of tax dues on account of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess together with the status and the Forum before which such dispute is pending as on 31st March 2011 is ₹ NIL.
- x. As the company is registered for a period of less than five years, the provisions of clause (x) of Companies Auditor Report Order, 2003 are not applicable to Company.
- xi. The company has not defaulted in repayment of dues to a financial institution or bank. The Company has not obtained any borrowings by way of debenture.
- xii. According to the records of the company, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The company is not a chit fund, Nidhi or mutual benefit fund/ society.
- xiv. The company is not dealing or trading in shares, securities, debentures and other investments. The shares held by the Company have been held by the Company in its own name.

- xv. The company has not given any guarantee for loans taken by others from Banks or financial institutions.
- xvi. The company has not taken any term loans during the year under audit.
- xvii. The funds raised on short-term basis have not been used for long term investment and vice versa.
- xviii. According to the records of the Company and the information and explanation provided by the management, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- xix. The Company has not issued any debentures hence the clause XIX of the said order is not applicable to the company.
- xx. The Company has not raised any Capital during the year and hence the question whether the management has disclosed the end use of money raised by public issues and whether the same has been verified by us or not does not arise.
- xxi. During the checks carried out by us, any fraud on or by the Company has not been noticed or reported during the period under report.

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

Kirti D. Shah
Proprietor
Membership No. 3237

Place : Mumbai

Date : 30th June, 2011

BALANCE SHEET AS AT 31ST MARCH 2011

Particulars	Schedule No.	As At 31st March 2011 Rupees	As At 31st March 2010 Rupees
I SOURCE OF FUNDS			
SHAREHOLDERS' FUNDS			
(a) Share Capital	1	100,000	100,000
(b) Reserves & Surplus	2	5,437,995	1,305,790
		<u>5,537,995</u>	<u>1,405,790</u>
LOAN FUNDS			
(a) Unsecured Loans	3	9,188,644	11,338,644
		<u>9,188,644</u>	<u>11,338,644</u>
TOTAL		<u>14,726,639</u>	<u>12,744,435</u>
II APPLICATION OF FUNDS			
CURRENT ASSETS, LOANS & ADVANCES			
(a) Inventories	4	4,110,415	2,469,688
(b) Sundry Debtors	5	11,115,884	6,615,416
(c) Cash & Bank Balances	6	1,120,762	1,555,639
(d) Loans & Advances	7	143,042	139,350
		<u>16,490,103</u>	<u>10,780,093</u>
Less: CURRENT LIABILITIES AND PROVISIONS			
(a) Current Liabilities	8	2,066,758	573,384
(b) Provisions		<u>2,050,000</u>	<u>600,000</u>
		<u>4,116,758</u>	<u>1,173,384</u>
NET CURRENT ASSETS		<u>12,373,345</u>	<u>9,606,709</u>
MISCELLANEOUS EXPENDITURE	9	2,353,294	3,137,726
(To the extent not written off or adjusted)			
TOTAL		<u>14,726,639</u>	<u>12,744,435</u>
Significant Accounting policies & Notes on Accounts	14		

As per our Report of even date
For Kirti D Shah & Associates

Firm Registration No. 115133W

Chartered Accountants

Kirti D Shah

Proprietor

Membership No 32371

Place : Mumbai

Date : 30th June 2011

For and on behalf of the Board
Dr. Jimmy Mirchandani

Director

Dr. Rahul Mirchandani

Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	Schedule No.	Year ended 31st March 2011 Rupees	Year ended 31st March 2010 Rupees
I. INCOME			
(a) Sales		35,703,312	13,989,628
(b) Other Income	10	110,038	-
Total Revenue		35,813,350	13,989,628
II. EXPENDITURE			
(a) Cost of sales (Traded Goods)	11	26,241,152	10,562,037
(b) Payment to & for Employees	12	-	172,638
(c) Administration, Selling & Other Expenses	13	2,557,497	564,731
(d) Amortisations		784,432	784,432
		29,583,081	12,083,837
III. Profit / (Loss) Before Tax		6,230,269	1,905,790
IV. Provision for Taxation			
(i) Income tax			
Current Tax		2,050,000	600,000
		2,050,000	600,000
V Profit / (Loss) After Tax		4,180,269	1,305,790
Less :- Short Provision for Tax in Earlier Years		48,064	-
VI Balance brought forward from Previous Year		1,305,790	-
VII Amount available for Appropriations		5,437,995	1,305,790
VIII Balance Carried to Balance Sheet		5,437,995	1,305,790
Basic & Diluted Earning Per Share of Face Value of ₹ 10 each (Rs)		413.22	130.58
Significant Accounting policies & Notes on Accounts	14		

As per our Report of even date

For Kirti D Shah & Associates

Firm Registration No. 115133W

Chartered Accountants

Kirti D Shah

Proprietor

Membership No 32371

Place : Mumbai

Date : 30th June 2011

For and on behalf of the Board

Dr. Jimmy Mirchandani

Director

Dr. Rahul Mirchandani

Director

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2011

Rupees in Lacs

Particulars	Year Ended 31-Mar-11	Year Ended 31-Mar-10
A) Cash Flow from Operating Activities :-		
Net Profit Before Tax and Extraordinary Items	62.30	19.06
Adjustments for :-		
Miscellaneous Expenses Written Off	7.84	7.84
Income-tax & Fringe Benefit Tax paid	(20.50)	(6.00)
Prior Period Taxes	(0.48)	-
Cash flows from Operations before Working Capital Changes	49.17	20.90
(Increase) / Decrease in Inventories	(16.41)	(24.70)
(Increase)/Decrease in Trade Receivables	(45.00)	(66.15)
(Increase)/Decrease in Loans & Advances	(0.04)	(1.24)
Increase / (Decrease) in Current Liabilities and Provisions	29.43	8.54
Cash Flow from Operating Activities	17.15	(62.65)
B) Cash flow from Investing Activities :-	-	-
Cash Flow from Investing Activities	-	-
C) Cash flow from Financing Activities :-		
Increase / (Decrease) in Borrowings	(21.50)	78.18
Cash Flow from Financing Activities	(21.50)	78.18
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(4.35)	15.53
Cash & Cash Equivalents as at 1st April	15.55	0.02
Cash & Cash Equivalents as at 31st March as per schedule - 6	11.21	15.55

As per our Report of even date

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

Kirti D Shah
Proprietor
Membership No 32371

Place : Mumbai

Date : 30th June 2011

For and on behalf of the Board

Dr. Jimmy Mirchandani
Director

Dr. Rahul Mirchandani
Director

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET

Particulars	As At 31st March 2011 Rupees	As At 31st March 2010 Rupees
SCHEDULE 1 - SHARE CAPITAL		
Authorised		
10,000 Equity Shares of ₹ 10/- each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
Issued, Subscribed and Paid up Capital		
10,000 Equity Shares of ₹ 10/- each	100,000	100,000
PER BALANCE SHEET	<u>100,000</u>	<u>100,000</u>
SCHEDULE 2 - RESERVES & SURPLUS		
PROFIT & LOSS ACCOUNT (as per annexed a/c)	5,437,995	1,305,790
PER BALANCE SHEET	<u>5,437,995</u>	<u>1,305,790</u>
SCHEDULE 3 - UNSECURED LOANS		
From Companies		
(i) Loan from Holding Company - Aries Agro Limited	9,188,644	11,338,644
PER BALANCE SHEET	<u>9,188,644</u>	<u>11,338,644</u>
SCHEDULE 4 - INVENTORIES		
(At lower of cost or Net Realisable Value)		
(Certified and valued by management)		
Finished Goods	4,110,415	2,469,688
PER BALANCE SHEET	<u>4,110,415</u>	<u>2,469,688</u>
SCHEDULE 5 - SUNDRY DEBTORS		
Unsecured - Considered Good		
Outstanding for a period exceeding six months	3,481,109	121,474
Others	7,634,775	6,493,942
PER BALANCE SHEET	<u>11,115,884</u>	<u>6,615,416</u>
SCHEDULE 6 - BANK BALANCES		
- With Scheduled Bank in Current A/c	1,120,762	1,555,639
PER BALANCE SHEET	<u>1,120,762</u>	<u>1,555,639</u>
SCHEDULE 7 - LOANS & ADVANCES		
Unsecured - Considered Good		
Loans & Advances		
Advances Recoverable in Cash or in Kind or for value to be received		
Sundry Deposits	118,000	138,000
Tax Refunds Awaited (MVAT)	25,042	1,350
PER BALANCE SHEET	<u>143,042</u>	<u>139,350</u>

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET

Particulars	As At 31st March 2011 Rupees	As At 31st March 2010 Rupees
SCHEDULE 8 - CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
(a) Sundry Creditors		
(i) For Goods	1,679	-
(ii) For Expenses	1,091,428	352,595
(b) Advances from Customers	973,652	220,789
	<u>2,066,758</u>	<u>573,384</u>
Provisions :		
For Taxation		
Income Tax	2,050,000	600,000
	<u>2,050,000</u>	<u>600,000</u>
PER BALANCE SHEET	<u>4,116,758</u>	<u>1,173,384</u>
SCHEDULE 9 - MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Pre-Operative Expenses		
Balance B/f	3,137,726	3,922,158
	<u>3,137,726</u>	<u>3,922,158</u>
Less : - 1/5 th Written Off to Profit & Loss A/c	784,432	784,432
PER BALANCE SHEET	<u>2,353,294</u>	<u>3,137,726</u>

SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT

Particulars	Year ended 31st March 2011 Rupees	Year ended 31st March 2010 Rupees
SCHEDULE 10 - OTHER INCOMES		
Miscellaneous Income	110,038	-
	<u>110,038</u>	<u>-</u>
SCHEDULE 11 - COST OF SALES (TRADED GOODS)		
1) Opening Stock	2,469,688	-
Add : Purchases	27,881,879	13,031,725
	<u>30,351,567</u>	<u>13,031,725</u>
Less : Closing Stock	4,110,415	2,469,688
Cost of sales of Traded Goods	<u>26,241,152</u>	<u>10,562,037</u>
SCHEDULE 12 - PAYMENT TO & FOR EMPLOYEES		
Allowances	-	16,678
Funds / Contribution	-	9,429
Perks / Expenses	-	2,637
Salary	-	90,442
Staff welfare	-	53,452
PER PROFIT AND LOSS ACCOUNT	<u>-</u>	<u>172,638</u>
SCHEDULE 13 - ADMINISTRATION, SELLING & OTHER EXPENSES		
Selling Costs		
Advertisement & Publicity	56,893	7,950
Discount and Selling Expenses	210,589	52,202
Freight & Delivery Expenses	1,869,570	253,120
Selling Expenses	<u>183,772</u>	<u>31,757</u>
	<u>2,320,823</u>	<u>345,029</u>
Other Administration Expenses		
Audit Fees	27,575	22,060
Bank Charges	76,924	16,336
General Expenses - Office	7,385	45,072
Legal & Professional Charges	41,840	46,501
Postage & Telephones	-	16,936
Printing & Stationary	5,220	34,755
Rent, Rates & Taxes	<u>77,730</u>	<u>38,042</u>
	<u>236,674</u>	<u>219,702</u>
PER PROFIT AND LOSS ACCOUNT	<u>2,557,497</u>	<u>564,731</u>

SCHEDULE: 14

Notes to Accounts

1. Significant Accounting Policies

A. Basis of Preparation

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

B. Use of Estimates

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

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

D. Fixed Assets and Depreciation

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

E. Investments

Investments shall be stated at cost.

F. Inventory

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

G. Revenue Recognition

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

H. Employee Benefits

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

I. Earning Per Share

Basic earning per Share is calculated by dividing the net profit or loss for the year attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the year.

J. Impairment of Assets

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

K. Foreign Currency Transactions

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

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

All the accounting policies as mentioned above if not applicable at present will be applied at the relevant time.

2. Current Assets, Loan & Advances and Provisions

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

3. Leave Encashment

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

4. Contingent Liability

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

5. Income Tax

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

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

6. Deferred Tax: Accounting Standard - 22

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

7. Earnings per Share

Particulars	Year Ended 31 st March 2011	Year Ended 31 st March 2010
Net Profit after tax as per Profit & Loss Account attributable to Equity Shareholders	4,132,205	1,305,790
Net Profit before exceptional items	4,180,269	1,305,790
Weighted Average number of Equity Shares used as denominator for calculating EPS	10,000	10,000
Basic & Diluted Earning per Share (₹)	413.22	130.58
Basic & Diluted Earning before exceptional items per Share (₹)	418.03	130.58
Face Value per Equity Share	10	10

8. Related Party Disclosure

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

Part - A

Details of related parties – (As per Accounting Standard 18)

Nature of Relationship	Name of Related Party	Remarks	
Holding Company	Aries Agro Limited	Date of becoming Subsidiary of Aries Agro Limited is 12th January, 2007 (Incorporation Date)	
Key Management Personnel	Dr. Jimmy Mirchandani Dr. Rahul Mirchandani	Director Director	
Relatives of Key Management Personnel	Name of Key Management Person	Name of Relative	Relationship
	Dr. Jimmy Mirchandani	Mrs.Sarasa Mirchandani	Spouse
		Mr.Akshay Mirchandani	Son
		Mr.Amol Mirchandani	Son
		Dr.Rahul Mirchandani	Brother
	Dr. Rahul Mirchandani	Mrs.Nitya Mirchandani	Spouse
		Master.Armaan Mirchandani	Son
		Dr.Jimmy Mirchandani	Brother
Enterprises in which the key Management Personnel have total control	Mirabelle International	Prop. Dr. Jimmy Mirchandani	

Aries Agro Equipments Private Limited

Fellow Subsidiaries	Aries Agro Care Pvt. Ltd.	A Wholly Owned Subsidiary of Aries Agro Ltd.
	Aries Agro Produce Pvt. Ltd.	A Subsidiary of Aries Agro Ltd.
	Golden Harvest Middle East FZC	A Subsidiary of Aries Agro Ltd
	Amarak Chemicals FZC	A step down Subsidiary of Aries Agro Ltd
Enterprises over which the key Management Personnel have significant influence or control	Aries East West Nutrients Pvt. Ltd. Aries Marketing Ltd. Blossoms International Ltd. Sreeni Agro Chemicals Pvt. Ltd.	

Part – B

Details of Transactions with Related Parties

Sr. No.	Category	Nature of Service	Year Ended 31 st March 2011	Year Ended 31 st March 2010
1	Holding company	Finance unsecured loans – given	2,150,000	-
		Finance unsecured loans – taken	-	370,077
		Purchases (Inclusive of VAT)	27,916,979	13,034,072
		Sales	112,815	220,303
		Payment (net of receipt) for goods	27,915,000	5,585,772
		Receipts from sale of goods	5,000	220,303

Part C

Balance outstanding with the related parties

Nature of Outstanding	Category	Name of the Related Party	Balance Outstanding as on 31 st March 2011	Balance Outstanding as on 31 st March 2010
Unsecured loans	Holding company	Aries Agro Limited	9,188,644	11,338,644
Creditors for Goods	Holding company	Aries Agro Limited	1,679	-
Creditors for Expenses	Holding company	Aries Agro Limited	32,062	-
Sundry Debtors	Holding company	Aries Agro Limited	107,815	-

9. Auditors Remuneration

Particulars	Year Ended 31 st March 2011	Year Ended 31 st March 2010
a. Statutory audit fees	27,575	11,030
b. Tax audit fees	16,545	5,515
c. Taxation matters	16,545	5,515

10. Foreign Exchange Earnings & Outflow:

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

11. 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, 2011. 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.

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

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

Licensed capacity : Not applicable

Installed capacity : Not applicable

(B) Actual Production : Nil

(c) Quantitative and turnover information :

	OPENING STOCK		Purchase of Traded Goods		SALES		CLOSING STOCK	
Particulars	Quantity Nos.	Value ₹	Quantity Nos.	Value ₹	Quantity Nos.	Value ₹	Quantity Nos.	Value ₹
Traded / Rebranded Goods	4,502 (Nil)	2,469,688 (Nil)	95,831 (17,291)	27,881,879 (13,031,725)	81,786 (12,789)	35,703,312 (13,989,628)	18,547 (4,502)	4,110,415 (2,469,688)
Total	4,502 (Nil)	2,469,688 (Nil)	95,831 (17,291)	27,881,879 (13,031,725)	81,786 (12,789)	35,703,312 (13,989,628)	18,547 (4,502)	4,110,415 (2,469,688)

(Figures in bracket relate to previous year)

13. Sundry balances include due from the Holding Company.

Name of the Party	Amount ₹
Aries Agro Ltd. (Balance as on 31/03/2011)	107,815
Maximum balance outstanding during the year	107,815

14. 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

Firm Registration No. 115133W
Chartered Accountants

Kirti D Shah

Proprietor
Membership No. 32371

Place : Mumbai

Date : 30th June, 2011

For and on behalf of the Board

Dr. Jimmy Mirchandani

Director

Dr. Rahul Mirchandani

Director

Additional Information as required under Part IV of Schedule VI of the Companies Act, 1956

I Registration Details

Registration No. : U 0 1 4 0 3 M H 2 0 0 7 P T C 1 6 6 9 7 2

State Code : 1 1

Balance Sheet Date : 3 1 0 3 2 0 1 1

II Capital Raised during the year

Public Issue : N I L

Rights Issue : N I L

Bonus Issue : N I L

Private Placement : N I L

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

Total Liabilities : 1 8 8 . 4 3

Total Assets : 1 8 8 . 4 3

Sources of Funds

Paid-up Capital : 0 1 . 0 0

Reserves & Surplus : 5 4 . 3 8

Secured Loans : N I L

Unsecured Loans : 9 1 . 8 9

Application of Funds

Net Fixed Assets : N I L

Capital Work in Progress : N I L

Investments : N I L

Net Current Assets : 1 2 3 . 7 3

Miscellaneous Expenditure : 2 3 . 5 3

IV Performance of the Company (Rupees in Lacs)

Turnover : 3 5 7 . 0 3

Total Expenditure : 2 9 5 . 8 3

Profit Before Tax : 6 2 . 3 0

Profit After Tax : 4 1 . 8 0

Earnings Per Share : 4 1 8 . 0 3

Dividend Rate % : N I L

V Generic Names of Principal Products

Item Code No. (ITC Code) : 8 4 2 4 8 1 0 0

Product Description : Appliances for Agricultural or Horticultural use

As per our Report of even date

For Kirti D Shah & Associates

Firm Registration No. 115133W
Chartered Accountants

Kirti D Shah

Proprietor
Membership No 32371

Place : Mumbai

Date : 30th June 2011

For and on behalf of the Board

Dr. Jimmy Mirchandani

Director

Dr. Rahul Mirchandani

Director

NOTICE OF 3RD ANNUAL GENERAL MEETING

Notice is hereby given that the Third Annual General Meeting of the Members of **ARIES AGRO PRODUCE PRIVATE LIMITED** will be held on the Monday, 26th September, 2011 at 12.30 p.m. at the Registered office of the Company at Aries House, Plot No. 24, Deonar, Govandi (East), Mumbai-400 043 to transact the following business:-

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March, 2011 and Profit and Loss Account for the year ended as on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint Director in place of Dr. Jimmy Mirchandani who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s. Kirti D. Shah & Associates, Chartered Accountants, Mumbai, as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

By Order of the Board
For Aries Agro Produce Private Limited

Place: Mumbai
Date: 30th June, 2011

Dr. Jimmy Mirchandani
Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE LODGED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

DIRECTOR'S REPORT

To,

The Members of

Aries Agro Produce Private Limited.

Your Directors are pleased to present their Third Annual Report together with Audited Statement of Accounts of the Company for the period ended 31st March, 2011.

1. FINANCIAL RESULTS :

The Company has incurred an expenditure of ₹ 12,030/- during the year under review and the same has been treated as Pre-Operative Expenses.

2. STATUS OF THE PROJECT :

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

3. DIVIDEND :

Since the Company has not commenced commercial production during the period under review, the Company has not made any profits. Hence, your Directors have not recommended any dividend for the period under review.

4. DEPOSITS :

The Company has not accepted any Fixed Deposits from the Public.

5. PARTICULARS OF EMPLOYEES :

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

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

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

7. DIRECTORS:

In accordance with the Companies Act, 1956 and the Articles of Association of the Company, Dr. Jimmy Mirchandani retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Accordingly his re-appointment forms part of the notice of ensuing AGM.

8. AUDITORS :

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

9. DIRECTORS RESPONSIBILITY STATEMENT

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

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

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

Dr. Jimmy Mirchandani
Director

Dr. Rahul Mirchandani
Director

Place : Mumbai

Date : 30th June, 2011

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

- i. We have audited the attached Balance sheet of **ARIES AGRO PRODUCE PRIVATE LIMITED**, as at 31st March, 2011. These financial statements are responsibility of the company management. Our responsibility is to express an opinion on these financial statements based on our audit.
- ii. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes
 - (a) examining, on a test basis, evidence to support the financial statement amounts and disclosures in the financial statement
 - (b) assessing the accounting principles used in the preparation of financial statements
 - (c) assessing significant estimates made by the management in the preparation of the financial statements and
 - (d) Evaluating overall financial statement presentation.We believe that our audit provides a reasonable basis for our opinion
- iii. As required by the companies (Auditor Report) Order,2003 as amended by companies (Auditor's Report) Amendment Order, 2004 (together the "Order") issued by the Central Government of India in terms of subsection (4A) of section 227 of the Companies Act, 1956 of India (the "Act") are not applicable to the company.
- iv. Further, we report that:
 - a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - b. In our opinion, proper books of accounts as required by law, have been kept by the Company so far as appears from our examination of the books of the Company;
 - c. The Balance Sheet and Cash Flow statement referred to in this report are in agreement with the books of accounts of the Company
 - d. On the basis of written representations received from the directors, and taken on record by the Board of Directors, in our opinion, none of the directors is disqualified from being appointed as director u/s 274(l)(g) of Companies Act, 1956;
 - e. In our opinion, the Balance Sheet dealt with by, this report comply with all material respects with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - f. The company is not a sick company within the meaning of section 3(1)(o) of the SICA Act, 1985. Hence there is no question of payment of cess as required under section 441 A of Companies Act;
 - g. As all expenses are treated as Pre-Operative Expenses to be capitalized, the Company has not prepared Profit & Loss A/c;
 - h. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Cash Flow statement, together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in Conformity with the accounting principles generally accepted in India.
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011.
 - ii. in the case of the Cash Flow statement, of the cash flows of the Company for the period ended on that date.

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

Place: Mumbai
Date: 30th June, 2011

Kirti D. Shah
Proprietor
Membership No. 32371

ANNEXURE TO THE AUDITORS' REPORT

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

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

- i. a. The company does not have any Fixed assets hence maintenance of records showing full particulars including quantitative details and situation of its fixed assets does not arise.
- b. The company does not have any Fixed assets hence the question of physical verification & material discrepancies of the same does not arise.
- c. No parts of fixed assets have been disposed off during the period, which will affect its status as going concern.
- ii. a. There are no inventories during the year hence the question of physical verification by the management at reasonable intervals does not arise.

The company does not have any inventories so the maintenance of records of inventory does not arise.
- iii. a. The company has taken loan from one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was ₹ 130,460/-(Previous Year ₹ 129,460/-) and closing balance as on 31/03/2011 is ₹ 130,460/- (Previous Year ₹ 129,460/-)

The Company has not given interest free advances to any parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- b. As per information and explanation provided to us, the company has not granted any loans, hence the question whether such loans and advances given to Companies, Firms or Other Parties listed in the Register maintained under section 301 are, prima facie, prejudicial to the interest of the Company or not does not arise.
- c. The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest wherever applicable
- d. As per the information given by the management, there are no loans of more than ₹ 1.00 lakh, hence the question whether the reasonable steps have been taken by the company for recovery of the principal and Interest or not does not arise.
- iv. In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. In our opinion, there is no continuing failure to correct major weaknesses in internal control.
- v. a. According to the information and explanation provided by the management, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the Register maintained under section 301 have been so entered.
- b. The transactions made in pursuance of contracts or arrangements entered in the Register maintained under section 301 and exceeding value of Rupees Five Lakhs in respect of any party during the period have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted deposits from the public. Hence, the question of complying the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Act and the rules framed there under, where applicable, does not arise.
- vii. The paid up capital and reserve and surplus does not exceed 50 lacs as at the commencement of the financial year concerned or average annual turnover does not exceed 5 crore rupee for a period of three consecutive financial year immediately preceding the financial year concerned. Accordingly applicability of internal audit does not arise.
- viii. The provisions of related maintenance of the cost records prescribed by the Central Government under section 209 (1) (d) of the Act are not applicable to the company.
- ix. a. The company where applicable is regular in depositing statutory dues including Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues.
- b. There is no disputed liability in respect of tax dues on account of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess etc.
- x. As the company is registered for a period of less than five years, the provisions of clause (x) of Companies Auditor Report Order, 2003 are not applicable to Company.
- xi. The company has not defaulted in repayment of dues to a financial institution or bank. The Company has not obtained any borrowings by way of debenture.
- xii. According to the records of the company, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The company is not a chit fund, Nidhi or mutual benefit fund/society.
- xiv. The company is not dealing or trading in shares, securities, debentures and other investments. The shares held by the Company have been held by the Company in its own name.
- xv. The company has not given any guarantee for loans taken by others from Banks or financial institutions.
- xvi. The company has not taken any term loans during the year under audit.
- xvii. The funds raised on short-term basis have not been used for long term investment and vice versa.

xviii. According to the records of the Company and the information and explanation provided by the management, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.

xix. The Company has not issued any debentures hence the clause XIX of the said order is not applicable to the company.

xx. The Company has not raised any Capital during the year and hence the question whether the management has disclosed the end use of money raised by public issues and whether the same has been verified by us or not does not arise.

xxi. During the checks carried out by us, any fraud on or by the Company has not been noticed or reported during the period under report.

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

Place: Mumbai
Date: 30th June, 2011

Kirti D. Shah
Proprietor
Membership No. 32371

BALANCE SHEET AS AT 31ST MARCH, 2011

Particulars	Schedule No.	As At 31st March 2011 Rupees	As At 31st March 2010 Rupees
I SOURCE OF FUNDS			
SHAREHOLDERS' FUNDS			
(a) Share Capital	1	100,000	100,000
		<u>100,000</u>	<u>100,000</u>
LOAN FUNDS			
(a) Unsecured Loans	2	130,460	129,460
		<u>130,460</u>	<u>129,460</u>
TOTAL		<u>230,460</u>	<u>229,460</u>
II APPLICATION OF FUNDS			
CURRENT ASSETS, LOANS & ADVANCES			
(a) Cash & Bank Balances	3	77,435	77,435
(b) Loans & Advances	4	22,425	22,425
		<u>99,860</u>	<u>99,860</u>
Less:-			
CURRENT LIABILITIES & PROVISIONS			
(a) Current Liabilities	5	33,090	22,060
		<u>33,090</u>	<u>22,060</u>
NET CURRENT ASSETS		<u>66,770</u>	<u>77,800</u>
MISCELLANEOUS EXPENDITURE	6	163,690	151,660
(To the extent not written off or adjusted)			
TOTAL		<u>230,460</u>	<u>229,460</u>
Basic & Diluted Earning per Share of Face Value of ₹ 10/- each		Nil	Nil
Significant Accounting policies & Notes on Accounts	7		

As per our Report of even date
For and on behalf of the Board

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

Kirti D Shah
Proprietor
Membership No. 32371

Dr. Jimmy Mirchandani
Director

Dr. Rahul Mirchandani
Director

Place : Mumbai
Date : 30th June, 2011

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2011

PARTICULARS	Rupees in Lacs	
	Year ended 31-Mar-11	Year ended 31-Mar-10
A) Cash Flow from Operating Activities :-		
Net Profit Before Tax and Extraordinary Items	-	-
Adjustments for :-		
Miscellaneous Expenses to the extent not W/Off	(0.12)	(0.25)
Cash flows from Operations before Working Capital Changes	(0.12)	(0.25)
Increase / (Decrease) in Current Liabilities and Provisions	0.11	0.07
Cash Flow from Operating Activities	(0.01)	(0.18)
B) Cash flow from Investing Activities :-	-	-
Cash Flow from Investing Activities	-	-
C) Cash flow from Financing Activities :-		
Increase / (Decrease) in Borrowings	0.01	0.18
Cash Flow from Financing Activities	0.01	0.18
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	-	(0.00)
Cash & Cash Equivalents as at 1st April	0.77	0.78
Cash & Cash Equivalents as at 31st March as per schedule - 3	0.77	0.77

As per our Report of even date

For and on behalf of the Board

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

Kirti D Shah
Proprietor
Membership No. 32371

Dr. Jimmy Mirchandani
Director

Dr. Rahul Mirchandani
Director

Place : Mumbai
Date : 30th June, 2011

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET

Particulars	As At 31st March 2011 Rupees	As At 31st March 2010 Rupees
SCHEDULE 1 - SHARE CAPITAL		
Authorised		
500,000 Equity Shares of ₹ 10/- each	5,000,000	5,000,000
	5,000,000	5,000,000
Issued, Subscribed and Paid up Capital		
10,000 Equity Shares of ₹ 10/- each (Previous Year 10,000 Shares of ₹ 10/- each)	100,000	100,000
PER BALANCE SHEET	100,000	100,000
SCHEDULE 2 - UNSECURED LOANS		
Loan from Holding Company	130,460	129,460
PER BALANCE SHEET	130,460	129,460
SCHEDULE 3 - BANK BALANCES		
- With Scheduled Bank in Current A/c	77,435	77,435
PER BALANCE SHEET	77,435	77,435
SCHEDULE 4 - LOANS & ADVANCES		
Advances to Suppliers	22,425	22,425
PER BALANCE SHEET	22,425	22,425
SCHEDULE 5 - CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors		
(a) For Expenses	33,090	22,060
PER BALANCE SHEET	33,090	22,060
SCHEDULE 6 - MISCELLANEOUS EXPENDITURE (To the Extent not Written Off or adjusted)		
<u>Pre-Operative Expenses</u>		
Balance B/f	151,660	126,170
Add :- Additions during the Year	12,030	25,490
PER BALANCE SHEET	163,690	151,660

SCHEDULE - 7

NOTES TO ACCOUNTS

1. Significant Accounting Policies

A. Basis of Preparation

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

B. Use of Estimates

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

C. All the expenses incurred during the Construction period or pre operations period will be accumulated and charged under Pre operative expenses. Which will be transferred to respective assets account as and when created.

D. Fixed Assets and Depreciation

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

E. Investments

Investments to be stated at cost.

F. Inventory

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

G. Revenue Recognition

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

H. Employee Benefits

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

I. Earning Per Share

Basic earning per Share is calculated by dividing the net profit or loss for the year attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the year.

J. Impairment of Assets

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

K. Foreign Currency Transactions

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

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

2. Current Assets, Loan & Advances and Provisions

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

3. Leave Encashment

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

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

5. Income Tax

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

Aries Agro Produce Private Limited

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

6. Deferred Tax: Accounting Standard - 22

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

7. Related Party Disclosure

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

PART – A

Details of related parties – (As per Accounting Standard 18)

Nature of Relationship	Name of Related Party	Remarks	
Holding Company	Aries Agro Limited	Date of becoming Subsidiary of Aries Agro Limited is 20th June 2008 (Incorporation Date)	
Key Management Personnel	Dr. Jimmy Mirchandani Dr. Rahul Mirchandani	Director Director	
Relatives of Key Management Personnel	Name of Key Management Person	Name of Relative	Relationship
	Dr. Jimmy Mirchandani	Mrs. Sarasa Mirchandani Mr. Akshay Mirchandani Mr. Amol Mirchandani Mr. Rahul Mirchandani	Spouse Son Son Brother
	Dr. Rahul Mirchandani	Mrs. Nitya Mirchandani Master Armaan Mirchandani Dr. Jimmy Mirchandani	Spouse Son Brother
Enterprises in which the key Management Persons have total control	Mirabelle International	Prop. Dr. Jimmy Mirchandani	
Fellow Subsidiaries	Aries Agro Care Pvt. Ltd. Aries Agro Equipments Pvt. Ltd. Golden Harvest Middle East FZC Amarak Chemical FZC	A Wholly Owned Subsidiary of Aries Agro Ltd. A Wholly Owned Subsidiary of Aries Agro Ltd. A Subsidiary of Aries Agro Ltd. A Step down Subsidiary of Aries Agro Ltd	
Enterprises over which the Key Management Personnel have Significant influence or Control	Aries East West Nutrients Pvt. Ltd. Aries Marketing Ltd. Blossoms International Ltd. Sreeni Agro Chemicals Pvt. Ltd.		

PART – B

Details of Transactions with Related Parties

Sr. No.	Category	Year Ended 31 st March 2011	Year Ended 31 st March 2010
1	Holding company	1,000	17,975

PART– C

Balances outstanding with Related Parties

Nature of Outstanding	Category	Name of the Party	Outstanding as on 31 st March, 2011	Outstanding as on 31 st March, 2010
Unsecured Loans	Holding Company	Aries Agro Limited	130,460	129,460

8. Auditors Remuneration

Particulars	Year Ended 31 st March 2011	Year Ended 31 st March 2010
a. Statutory audit fees	11,030	11,030
b. Tax audit fees	-	-
c. Taxation matters	-	-
d. Certification	-	-

9. Foreign Exchange Earnings & Outflow:

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

10. 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, 2011. This Information as required to be disclosed under the micro, small and medium enterprises development Act , 2006 has been determined to the extent such parties have been identified on the basis of information available with the company

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

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

Licensed Capacity : Not Applicable

Installed Capacity : Not Applicable

(B) Actual Production : NIL

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

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

As per our Report of even date
For and on behalf of the Board

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

Kirti D Shah
Proprietor
Membership No. 32371

Dr. Jimmy Mirchandani
Director

Dr. Rahul Mirchandani
Director

Place : Mumbai
Date : 30th June, 2011

Additional Information as required under Part IV of Schedule VI of the Companies Act, 1956

I Registration Details

Registration No. : U 0 1 4 0 3 M H 2 0 0 8 P T C 1 8 3 7 8 9

State Code : 1 1

Balance Sheet Date : 3 1 0 3 2 0 1 1

II Capital Raised during the year

Public Issue : N I L

Rights Issue : N I L

Bonus Issue : N I L

Private Placement : N I L

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

Total Liabilities : 2 . 6 4

Total Assets : 2 . 6 4

Sources of Funds

Paid-up Capital : 0 1 . 0 0

Reserves & Surplus : N I L

Secured Loans : N I L

Unsecured Loans : 1 . 3 0

Application of Funds

Net Fixed Assets : N I L

Capital Work in Progress : N I L

Investments : N I L

Net Current Assets : 0 . 6 7

Miscellaneous Expenditure : 1 . 6 4

IV Performance of the Company (Rupees in Lacs)

Turnover : N I L

Total Expenditure : N I L

Profit Before Tax : N I L

Profit After Tax : N I L

Earnings Per Share : N I L

Dividend Rate % : N I L

V Generic Names of Principal Products

Item Code No. (ITC Code) : 0 7 1 0 8 0

Product Description : Appliances for Agricultural or Horticultural use

As per our Report of even date

For and on behalf of the Board

For Kirti D Shah & Associates

Firm Registration No.: 115133W

Chartered Accountants

Kirti D Shah

Proprietor

Membership No. 32371

Dr. Jimmy Mirchandani

Director

Dr. Rahul Mirchandani

Director

Place : Mumbai

Date : 30th June, 2011



41st 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 First Annual General Meeting** held on Thursday, the 29th September, 2011 at The Chembur Gymkhana, 16th Road, Chembur, Mumbai – 400 071.

SIGNATURE OF THE SHAREHOLDER / PROXY* _____

*Strike out whichever is not applicable



41st 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 First Annual General Meeting** of the Company to be held on Thursday, **the 29th September, 2011** and at any adjournment thereof.

Affix
Re.1/=
Revenue
Stamp

Signed this _____ day of _____, 2011

INAUGURATION OF SECOND PRODUCTION BELT AT M/S. AMARAK CHEMICALS FZC'S FACTORY IN FUJAIRAH, U.A.E

The Crown Prince of Fujairah, His Highness Sheikh Mohammed Bin Hamad Al Sharqi personally inaugurated the second production belt at M/s.Amarak Chemicals FZC's factory in Fujairah. We were also proud to have with us the Consul General of India to the UAE, Mr.Sanjay Vemna, H.E. Khalid Mohammed Al Jasim, Director General of Fujairah Chamber of Commerce & Industry and H.E. Shereef Al Awadi, Director General of Fujairah Free Zone Authority and a number of officials from the local departments in the Emirate were present during the inauguration event. This showed the belief that these institutions have on our contribution to the economy of the region and potential of our investment overseas.



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