

 **aries** agro limited

46th

ANNUAL REPORT 2015-16



• BOARD OF DIRECTORS •



Prof. R. S. S. Mani
Independent Director

Dr. Rahul Mirchandani
Executive Director

Dr. Jimmy Mirchandani
Chairman & Managing Director

Mrs. Nitya Mirchandani
Director

Mr. C. B. Chhaya
Independent Director

Mr. B. V. Dholakia
Independent Director



Launch of 'Aries 2020' campaign On 20th April 2016. Aries launched It's biggest ever campaign of the company till date which is spread across 4 years named 'Aries 2020'. The campaign will conclude in year 2020' the same year in which company shall celebrate its Golden Jubilee. The official event launch was at Bombay Stock Exchange with first ever biggest Flash Sale in Agri industry in which over 900 customers across India participated and gave a record breaking booking of Aries products worth 201.78 crores within an hour.



Planning Meeting with Andhra Pradesh team at ISB, Hyderabad



Aries Factory Staff and Workers at Mumbai



Felicitation of Aries Southern Team at Bengaluru



Planning Meeting with Jammu & Kashmir, Himachal Pradesh, Uttar Pradesh, Punjab & Bihar Teams at Delhi



Aries Andhra Pradesh Marketing Agency Team at Hyderabad Factory



Tracemin Product Launch in Ahmedabad



All India Strategy Meet, Daman



Planning Meeting with Maharashtra & Nipani Teams at Mumbai



Half Yearly Review Meet, Nagpur



Family Day at Aries Corporate Office, Mumbai



Andhra and Telangana State Teams attending Aries Futura Training Session at Vijayawada

Balance Sheet as at March 31, 2016
Statement of Profit & Loss for the year ended March 31, 2016 with Board's Report

46th Annual Report
2015 - 2016

BOARD OF DIRECTORS

Dr. Jimmy Mirchandani
Chairman & Managing Director

Dr. Rahul Mirchandani
Executive Director

Prof. R. S. S. Mani, Independent Director

Mr. C. B. Chhaya, Independent Director

Mr. B. V. Dholakia, Independent Director

Mrs. Nitya Mirchandani, Non-Independent / Non-Executive Director

AUDIT COMMITTEE

Prof. R. S. S. Mani, Chairman (Upto 31.03.2016)

Dr. Rahul Mirchandani

Mr. B. V. Dholakia, Chairman (w.e.f. 01.04.2016)

STAKEHOLDERS RELATIONSHIP COMMITTEE

Prof. R. S. S. Mani, Chairman (Upto 31.03.2016)

Mr. C. B. Chhaya, Chairman (w.e.f. 01.04.2016)

Dr. Jimmy Mirchandani

Dr. Rahul Mirchandani

NOMINATION & REMUNERATION COMMITTEE

Prof. R. S. S. Mani, Chairman (Upto 31.03.2016)

Mr. C. B. Chhaya, Chairman (w.e.f. 01.04.2016)

Mr. B. V. Dholakia

TREASURY COMMITTEE

Dr. Jimmy Mirchandani, Chairman

Dr. Rahul Mirchandani

Mr. C. B. Chhaya

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Dr. Jimmy Mirchandani, Chairman

Dr. Rahul Mirchandani

Mr. B. V. Dholakia

CHIEF FINANCIAL OFFICER

Mr. S. Ramamurthy

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Qaiser P. Ansari

STATUTORY AUDITOR

Kirti D. Shah and Associates

INTERNAL AUDITOR

Kirit Manek & Co.

COST AUDITOR

R. Nanabhoy & Co.

SECRETARIAL AUDITOR

Mr. A. Sekar

BANKERS

AXIS Bank Ltd.

Canara Bank

HDFC Bank Limited

ICICI Bank Ltd.

BRANCHES/STOCK LOCATIONS

Ahmedabad, Gujarat

Bangalore, Karnataka

Bellary, Karnataka

Bhubaneswar, Orissa

Coimbatore, Tamil Nadu

Ghaziabad, Uttar Pradesh

Guwahati, Assam

Hissar, Haryana

Hyderabad, Telangana

Indore, Madhya Pradesh

Jaipur, Rajasthan

Jalandhar, Punjab

Kolkata, West Bengal

Lucknow, Uttar Pradesh

Nagpur, Maharashtra

Nashik, Maharashtra

Nipani, Karnataka

Patna, Bihar

Raipur, Chhatisgarh

Ranchi, Jharkhand,

Rudrapur, Uttaranchal

Siliguri, West Bengal

Solapur, Maharashtra

Sriganganagar, Rajasthan

Vijayawada, Andhra Pradesh

MANUFACTURING LOCATIONS

Mumbai

Hyderabad

Chhatral

Lucknow

Sharjah, UAE(Subsidiary Company)

Fujairah, UAE(Subsidiary Company)

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

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Financial Highlights - Standalone

(Rupees in Lakhs)

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Revenue from Operations	22,937.93	23,411.19	23,286.50	18,675.88	19,162.38
Total Income	23,080.52	23,563.47	23,512.73	18,999.06	19,694.10
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	3,273.42	3,820.50	4,264.70	3,428.95	3,781.42
EBITDA %	14.27	16.32	18.31	18.36	19.73
Profit Before Depreciation and Tax	1,214.50	1,690.85	1,987.93	1,588.21	1,838.88
Profit Before Depreciation and Tax %	5.29	7.22	8.54	8.50	9.60
Profit Before Tax (PBT)	1,038.87	1,509.13	1,840.97	1,403.44	1,650.24
PBT %	4.53	6.45	7.91	7.51	8.61
Profit for the Year	639.16	1,181.28	1,153.03	934.13	1,044.61
Equity Dividend %	15.00	20.00	20.00	15.00	15.00
Dividend Payout	0.30	0.21	0.22	0.20	0.18
Equity Share Capital	1,300.43	1,300.43	1,300.43	1,300.43	1,300.43
Reserves & Surplus	12,617.13	12,212.75	12,029.36	11,180.62	10,474.71
Net Worth	13,917.57	13,513.19	13,329.79	12,481.05	11,775.14
Gross Fixed Assets	5,414.16	4,902.41	4,779.06	4,875.42	4,109.51
Net Fixed Assets	2,577.40	2,109.58	3,489.32	3,694.48	2,972.54
Total Assets	31,447.41	30,435.63	32,266.38	33,707.37	30,931.68
Market Capitalisation	11,716.91	13,745.59	7,425.48	5,858.45	9,915.81
Number of Employees	748	753	785	748	765

Key Indicators - Standalone

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Earnings Per Share - Rs. (Excluding Exceptional Items)	5.08	9.34	9.12	7.47	8.45
Turnover Per Share - Rs.	176.39	180.03	179.07	143.61	147.35
Book Value Per Share - Rs.	107.02	103.91	102.50	95.98	90.55
Debt : Equity Ratio*	0.88	0.85	0.99	1.19	1.05
EBITDA / Gross Turnover %	13.95	15.98	17.95	18.07	19.45
Net Profit Margin %	2.79	5.05	4.95	5.00	5.45
RONW % *	4.59	8.74	8.65	7.48	8.87
ROCE %	11.68	14.36	15.18	11.61	14.74
Inventory Turnover (in days)	158	155	156.00	200.00	196.00
Debtors Turnover (in days)	154	152	149.00	161.00	131.00
Current Ratio	1.63	1.67	1.64	1.46	1.45
Price Earning Ratio	17.73	11.32	6.26	6.03	9.03
Market Vale per Share	90.10	105.70	57.10	45.05	76.25

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Members,

It is with great pleasure that I present to you the 46th Annual Report of your Company, Aries Agro Limited.

During the year under review 2015-16, the agricultural input sector was adversely affected by deficient monsoon across the entire country and flood situation in few areas. Out of the 36 Meteorological subdivisions, 18 have seen deficient rains for two consecutive years. Back to back crop failures worsened the distress in the agricultural input sector leading to lack of adequate demand in both Kharif and Rabi season. Most of the industry therefore was forced to hold high levels of inventory since stocks were prepared in anticipation of a normal season. Moreover, the fall in purchasing power and cash flow at the farm level also caused pressure on recovery of market outstandings during the entire year. The highly seasonal nature of the industry showed its impact during the year under review and also placed pressure on margins since companies were forced to lower margins to capture market and maintain market share. Despite these efforts, the Company's revenue remained almost flat.

The total capacity utilization currently stands at 49% of the total installed capacity of 84,600 MT p.a. in India. Our international manufacturing facilities at UAE have also maintained the capacity utilization of 36% of the total installed capacity overseas.

The year 2015-16 was characterized by heavily pressured cost structure. Though material cost remained stable, there was an increase in finance cost and fixed cost of the employee benefits remained unchanged.

Another cause of concern was the loss on account of foreign currency exchange rate fluctuations. Also during the second half of the year, the classification of certain products being imported by the Company under customs was changed resulting in higher levies which forced the company to produce the same locally. In order to cater to the market, production was restarted of some brands at the Hyderabad manufacturing unit. This partially overcame the foreign exchange fluctuation loss in the final few months.

International sales have commenced in Australia, Brazil, Ecuador, New Zealand, Pakistan, Spain, Singapore, Sri Lanka, Taiwan, Trinidad, United Kingdom, United States of America, Vietnam, and Zambia, with supplies from Indian and UAE factories. Distributors have been appointed in Brazil, Cambodia, Ecuador, New Zealand, Sri Lanka and Vietnam, and we expect export and global sales to grow and form around 15% of the group revenues of the Company by Financial Year 2016-17.

For eleven consecutive years Aries Quality Management System was audited and certified as NS-EN ISO 9001:2008 with zero non-compliance report showing complete adherence to international quality standards.

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

The Company undertook several activities focused specifically on supporting school aged girls across India. We supplied benches for classrooms and water purification systems, distributed beds and pillows for tribal students and supported the physically handicapped students.

The Company's Call Centre based in Vijayawada continued to provide answers to farmers' queries and provided direct interaction with consumers. During the year under review, 3578 number of farmers called the call center at Vijayawada with queries on integrated nutrient management, pest management, soil health and post harvest management.

During the year under review, 5889 knowledge dissemination activities including farmers meetings were undertaken impacting 68008 numbers of farmers. These sessions were conducted by team of 58 extension officials spread across 20 states.

The Company has organized during the year soil testing camps in North Karnataka, Andhra Pradesh and Telangana using Mobile Soil Testing Kits. Approximately 1959 Soil Health Cards were issued to farmers providing an additional service in order that they understand the specific nutrient needs of their farms.

Aries also participated in the Swach Bharat Mission at the Child and Police Project School, Guntur and Constructed toilets for women and kids under the Women & Kid Toilet Project.

2016 monsoons are expected to be above normal and the Company is hopeful that there will be good growth in revenues and consequent profits during the current FY 2016-17. In order to secure a confirmed order book, the Company (for the first time in agri business in India) conducted All India Flash Sale and Booking Bazaar on 19th and 20th April, 2016 at the Bombay Stock Exchange, Convention Hall, Mumbai. Record breaking orders with payment instruments were collected totaling to Rs. 201.78 Crores within a 30 minute Flash Sale period. This will ensure that the Company is able to plan inventories and production as well as timely supplies to more than 400 dealers who participated in this unique one of its kind booking bazaar. In the past, the Company has conducted similar flash sales on the state level and the average conversion of bookings to orders was approximately 75% to 80%. Assuming similar conversion on all India basis, this booking bazaar will result in definite increase in sales during the first half of the Financial Year. The Company is also increasing focus on non rain dependant activities including sales to aquaculture farmers, plantations and perennial crops in irrigated districts of the country.

The Company will introduce two new products namely K-phonic and Mobomin during the current Financial Year. However, it will also focus on growing sales of the new products launched towards the end of 2015-16 namely Arisil, Calcomag and Calpro.

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

Sincerely,

Dr Jimmy Mirchandani
Chairman & Managing Director

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Forty Sixth Annual General Meeting of the Members of ARIES AGRO LIMITED will be held on Friday, the 30th September, 2016 at 10.00 a.m. at The Chembur Gymkhana, 16th Road, Chembur, Mumbai-400 071, to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider, approve and adopt:
 - a. the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2016, together with the Reports of the Board of Directors and the Auditors thereon.
 - b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2016, together with the Report of the Auditors thereon.
2. To declare Dividend for the Financial Year ended 31st March, 2016.
3. To appoint a Director in place of Dr. Rahul Mirchandani (DIN 00239057) who retires by rotation and being eligible offers himself for re-appointment.
4. **Ratification of Appointment of Auditors for the Financial Year 2016-2017.**

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

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. Kirti D. Shah & Associates, Chartered Accountants, Mumbai, (Membership No. 32371 and having Peer Review Certificate issued by the Institute of Chartered Accountants of India), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Forty Seventh AGM of the Company to be held in the year 2017, at such Remuneration plus Service Tax, Out-of-Pocket, Travelling Expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

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

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 2,10,000/-(Rupees Two Lakhs Ten Thousands Only) plus Service Tax and reimbursement of Out of Pocket Expenses at actual as approved by the Board of Directors of the Company payable to Ms. R. Nanabhoy & Co., Cost Accountants, having

firm's registration No. 000010for conducting the Cost Audit of the records maintained by the Company for the financial year ending 31st March, 2017, be and is hereby ratified."

By Order of the Board

Qaiser P. Ansari
Company Secretary
Membership No. ACS-8979

Place: Mumbai
 Date: 11th August, 2016

NOTES:

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

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

3. Corporate Members intending to send their Authorised Representatives to attend the Meeting are requested to send to the Company a Certified Copy of the Board Resolution authorizing their Representative to attend and Vote on their behalf at the Meeting before three days of the date of the meeting.
4. Members/ Proxies should bring the attendance slip duly filled in for attending the meeting. The Identity/Signature of the Members holding shares in Electronic/Demat form is liable for verification with Specimen Signatures as may be furnished by NSDL/CDSL to the Company. Such Members are advised to bring the relevant Identity Card issued by the Depository Participant to the Annual General Meeting.
5. The relative Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business is annexed hereto.
6. All the documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on all days, except Saturdays, Sundays and holidays until the date of the Annual General Meeting or any adjournment thereof.
7. Members desirous of getting any information about the accounts and operations of the Company are requested to write their queries to the Company at least seven days in advance of the meeting so that the information required can be made readily available at the meeting.

8. Individual shareholders can now take the facility of nomination. The nominee shall be the person in whom all rights of transfer and/or amount payable in respect of shares shall vest in the event of the death of the shareholder(s). A minor can be a nominee provided the name of the guardian is given in the Nomination Form. Members who are interested in availing the nomination facility are requested to write to the Company.
9. The Register of Members and Share Transfer Books of the Company will be closed from Saturday, 17th September, 2016 to Friday, 30th September, 2016 (both days inclusive) for determining the names of members eligible for Dividend on Equity Shares, if declared at the Meeting as recommended by the Board of Directors. On such declaration of Dividend at the forthcoming Annual General Meeting, such Dividend will be paid on 26th October, 2016 to those members whose names appear on the Register of Members on 16th September, 2016 after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 9th September, 2016. In respect of shares held through the depositories, Dividend will be paid on the aforesaid date to the beneficial owners of shares whose names appear at the close of business hours on 16th September, 2016 as per details furnished by the depositories for this purpose.
10. 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.
11. Beneficial Owners holding shares in Electronic/ Demat form are requested to notify any change in their Addresses, Bank Account, Mandate, etc. to their respective Depository Participant. ECS Mandates has to be sent to the concerned Depository Participant directly.
12. 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 M/s Aarathi Consultants Private Limited.
13. The Securities and Exchange Board of India (SEBI) has made it mandatory to print the Bank Details of the Investors on the physical payment instruments, if any payment is made to Investors by physical payment instrument. Members holding shares in physical form are requested to immediately submit their Bank Details to the Company/Registrars and Transfer Agents, M/s Aarathi Consultants Private Limited.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number(PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrars and Transfer Agents, M/s Aarathi Consultants Private Limited.
15. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
16. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
17. Non-Resident Indian Members are requested to inform Registrars and Transfer Agents M/S Aarathi Consultants Private Limited, immediately of:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their Bank Account maintained in India with complete Name, Branch, Account Type, Account Number and address of the Bank with Pin Code Number, if not furnished earlier.
18. The Company has submitted with the MCA the List of Un-Paid Dividends and the IPO Application Money Refund as on the date of the last AGM i.e. and the same is also displayed in the Investor Relations Section on our web-site at www.ariesagro.com.
19. In compliance with Sections 205A and 205C of the Companies Act, 1956, unclaimed Interim Dividend for the year ended 31st March, 2008 has been transferred to the 'Investor Education and Protection Fund' (IEPF) established by the Central Government. Unclaimed Dividends for all the subsequent years will be transferred to the IEPF according to the statutory stipulations. Members are requested to contact the Company's Registrar & Share Transfer Agents, in respect of their outstanding dividends for the succeeding years.
20. In accordance with the Companies Act, 2013 read with the Rules, the Annual Reports are sent by electronic mode to those members whose shareholding is in dematerialised format and whose email ids are registered with the Depository for communication purposes. The members holding shares in physical form and who have not registered their email ID are requested to register their email ID addresses with M/S Aarathi Consultants Private Limited the Company's Registrars and Transfer Agents.
21. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with M/S Aarathi Consultants Private Limited / Depositories.