

aries agro limited



40th
ANNUAL REPORT
2009 - 2010

17 Successful product launches in the year 2009-2010

Biodegradable Chelates



Biodegradable Chelated Iron 9.0%
Fe IDHA



Biodegradable Chelated Copper 10.0%
Cu IDHA



Biodegradable Chelated Manganese 9.0%
Mn IDHA



Biodegradable Chelated Zinc 10.0%
Zn IDHA

"Natural Amino acid Chelates"



Amino acid Chelate of Zinc 12.0%



Amino acid Chelate of Copper 12.0%



Amino acid Chelate of Manganese 12.0%



Amino acid Chelate of Iron 12.0%



Amino acid chelates
fortified with Nitrogen



Liquid Amino Acid



Soluble Seaweed Extract



Chelated Calcium Nitrate



Liquid Calcium Nitrate derivatives
fortified with Bio-Degradable
Chelated Minerals



Water pH indicator

Liquid Biofertilisers



Liquid Biofertiliser



Liquid Biofertiliser

FARM EQUIPMENTS

WS 16P, Knapsack Hand Sprayer
WS 15D, Knapsack Battery Sprayer



CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Members,

It is with great pleasure that I present to you the 40th Annual Report of your Company, Aries Agro Limited.

2009-10, the year under review in this Report, was extremely turbulent for the agribusiness industry, with the macro environment being burdened with the pressure of dealing with the worst drought in over three and a half decades, high inflation, stiff monetary policy increasing the cost of funds, low farm productivity and depleting harvests. Despite this extremely difficult environment, I am proud of the efforts of the Aries family, their grit, persistence, faith and determination to deal with adversity and thankful for the confidence of all our external stakeholders which stood firm in these testing times, resulting in your company scaling new heights and recording high revenue growth of 27 % and year-on-year profitability growth of 14 %. This demonstrates that all of us as a strong, cohesive and focused team faced the challenges head-on with robust plans and systematic processes to emerge winners.

The year under review was also historic for your organization as it was the first full year of functioning as an Indian-born multinational, with an expanded manufacturing base in India and the United Arab Emirates and growing sales in 4 countries overseas. With a total manufacturing base of over 1,50,000 MT at 8 locations, your company now has arguably the largest world class manufacturing base of specialty plant nutrition solutions set up by an Indian company. It is this network of factories producing 76 of our Aries brands that gives us the confidence to serve our customers in India and around the world.

2009-10 saw a record launch of 15 new products, including 4 India-first concepts of European bio degradable chelates, 5 Natural Amino acid Chelates, a Marine Plant extract from Norway, a Water Treatment formulation, 2 Calcium Nitrate derivatives and 2 imported Agricultural sprayers. The year also saw Aries entering new markets like Kerala and Kashmir. Aries products are currently being sold in 1,75,000 villages across 24 Indian states, with distribution access to two out of every three districts of the country.

To complement the traditional trade channel and increase access to unserved markets, your company has an efficient fleet of 100 Krishi Vigyan Vahans that have travelled 11,24,168 kilometers and spread awareness of specialty plant nutrition concepts in 4,658 villages spread across 10 States during 2009-10 by conducting farmer briefings, structured meetings and audio visual presentations, providing advisory services, mobile soil testing and field demonstrations. The Aries KVV's were featured by the Wall Street Journal as one of the most innovative rural brand promotion and effective extension efforts. We are confident that this fleet of KVV's will further strengthen our consumer connect and enhance brand loyalty and trust.

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 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 continues to work very hard in ensuring development of the rural communities where we work and grow. During the year, we have scaled up our range of Environmentally Sensitive plant nutrition solutions to include natural and bio degradable products in addition to our flagship brands which are all chemically inert Chelated micronutrients. We also promote the use of Water Soluble Packaging. Our strategic CSR initiatives are typically aimed at spreading Knowledge far and wide in rural areas. This is achieved by working closely with the Confederation of Indian Industry's Young Indian Farmers Network, government and all stakeholders to build a comprehensive, sustained dialogue towards evolving a framework for Indian Good Agricultural Practices (Indo-GAP). In addition, knowledge dissemination activities were undertaken with Aries branded 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 and 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'.

We also conducted two very successful National Agromax conferences in Guwahati, Assam and in Hissar, Haryana. Together these two flagship events had close to 4000 young farmers in attendance and had a galaxy of over 40 speakers and involved CII's Young Indians, 5 State Governments, 9 Agricultural Universities and many agribusiness corporates. Farmers were also provided with commodity prices, crop advisories and weather alerts throughout the year using mobile phone text messages. In addition, using our analytical labs and mobile soil testing units, over 30,000 soil samples were analysed across the country and soil health cards issued to farmers at subsidized prices. These efforts have not only increased the spread of up-to-date information on crop management and integrated nutrient management in rural India but have been demand creators for your company's product range. The success of these efforts will ensure that we will work to scale them up in the months ahead.

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 2010-11 seems positive with all indications pointing to normal rainfall. This will certainly have a beneficial impact on your company's growth and profitability. We are looking at adding 3 new plant protection products and 3 new plant nutrition products during 2010-11.

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, 2010
Profit & Loss Account for the year ended
March 31, 2010
with **Director's Report**

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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
Additional Director (w.e.f. 29.10.2009)

CHIEF FINANCIAL OFFICER

Mr. S. Ramamurthy

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Qaiser P. Ansari

AUDITORS:

Kirti D. Shah and Associates
Chartered Accountants
53, Juhu Supreme Shopping
Centre, 2nd Floor, Gulmohar
Cross Rd. No.9, JVPD Scheme,
Mumbai-400 049.

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

BRANCH NETWORK

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

MANUFACTURING LOCATIONS

Mumbai	Sanand
Bangalore	Lucknow
Hyderabad	Sharjah, UAE
Kolkata	(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 Fortieth Annual General Meeting of the Members of ARIES AGRO LIMITED will be held on Friday, the 17th September, 2010 at 10.00 a.m. at The Acres Club, Hemu Kalani Marg, 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, 2010 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 declare dividend for the Financial Year ended 31.03.2010.
3. To appoint a Director in place of Dr. Rahul Mirchandani who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Dr. D. S. Jadhav 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. *Appointment of Mr. Chakradhar Bharat Chhaya as a Director of the Company*

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

“RESOLVED THAT Mr. Chakradhar Bharat Chhaya, who was appointed by the Board of Directors as an Additional Director with effect from 29th October, 2009 under Section 260 of the Companies Act, 1956 and Article 146 of the Articles of Association of the Company and who holds Office upto the date of this Annual General Meeting but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under the provisions of Section 257 of the Companies Act, 1956 proposing his candidature for the office of a Director be and is hereby appointed as a Director of the Company whose

office shall be liable to retirement by rotation.”

7. *Amendment in the Memorandum of Association of the Company by adding a new clause for Borrowings.*

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

“RESOLVED THAT following new Clause # 61 be added after existing Clause # 60 of Other Objects Clause (C) of Main Clause III of the Memorandum of Association.

Clause: 61: Subject to section 58A and section 292 of the Companies Act, 1956, to receive, borrow or raise money in any form and on such terms and conditions as the Company may consider expedient and secure and discharge any debt or obligation binding on the Company in such manner as may be thought fit, and in particular by mortgages of the undertaking and all or any of the immovable and movable property (present or future) and the uncalled capital of the Company, or by the creation and issue, on such terms as may be thought expedient, of shares, bonds, stock, debentures or debenture-stock, perpetual, convertible or otherwise, or other securities of any description.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such act, deeds, matters and things as may be considered necessary, desirable or expedient including accepting any modification as suggested by the Office of the Registrar of Companies, Maharashtra, Mumbai to the above said Object Clause, for giving effect to this resolution.”

By Order of the Board

Place: Mumbai

Qaiser P. Ansari

Date: 21st July, 2010

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 11th September, 2010 to Friday, the 17th September, 2010 (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 or after 25th September, 2010 to those members whose names appear on the Register of Members on 17th September, 2010 after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 10th August, 2010. 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 10th September, 2010 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. 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.
13. **Members are requested to bring their copy of the Annual Report to the Annual General Meeting.**
14. Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting are given below:

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Particulars required	Information
Name of the Director	Dr. Rahul Mirchandani
Date of Birth	12th August, 1975
Date of Appointment	2nd February, 1994
Expertise in specific functional areas	As Executive Director, he oversees various functions of the Company namely Marketing, Brand Promotion and New Product Development etc.
Qualifications	B.Com, CFA , MBA, Ph. D(Management Studies) from NMIMS.
Chairman/Member of the Committees of the Board of Directors of the Company.	Member of the Audit Committee and Shareholders' / Investors' Grievance Committee.
Directorship in other Companies	Sreeni Agro Chemicals Pvt. Ltd. Aries East-West Nutrients Pvt. Ltd. Blossoms International Ltd. Aries Marketing Ltd. Aries Agro Care Pvt. Ltd. Aries Agro Equipments Pvt. Ltd. Aries Agro Produce Private Limited Golden Harvest Middle East FZC
Membership of Audit Committee of other Public Limited Companies	NIL
Membership of any other Committee of other Public Limited Companies.	NIL

Name of the Director	Dr. D. S. Jadhav
Date of Birth	1st October, 1927
Date of Appointment	3rd March, 1995
Expertise in specific functional areas	Independent Director
Qualifications	B.Sc.(Vet) Hons, M.S., Ph.D.
Chairman/Member of the Committees of the Board of Directors of the Company.	Member of Audit Committee Chairman of Remuneration Committee
Directorship in other Companies	NIL
Membership of Audit Committee of other Public Limited Companies	NIL
Membership of any other Committee of other Public Limited Companies.	NIL

Particulars required	Information
Name of the Director	Mr. Chakradhar Bharat Chhaya
Date of Birth	9th November, 1943
Date of Appointment	29th October, 2009
Expertise in specific functional areas	Independent Director
Qualifications	B.Com., 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. 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 2. Calyx Chemicals & Pharmaceuticals Limited-Member of Remuneration Committee

15. 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

At the meeting of the Board of Directors held on 29th October, 2009, Mr. Chakradhar Bharat Chhaya was appointed as an Additional Director with effect from 29th October, 2009, to hold office till the date of the next Annual General Meeting of the Company. Mr. Chakradhar Bharat Chhaya was appointed as an Independent Director. The Company has received a notice in writing from a Member under the provisions of Section 257 of the Companies Act, 1956, together with the requisite deposit, proposing his candidature for the office of a Director

Brief profile of Mr. Chakradhar Bharat Chhaya in terms of Clause 49 of the Listing Agreement is given in the annexure to the Notice.

Mr. Chakradhar Bharat Chhaya is a B.Com from University of Mumbai. He is a Fellow of Institute of Cost and Works Accountants of India. He is also a CAIIB (Certified Associate of Indian Institute of Bankers). He has more than 45 years of experience in the field of banking and finance. He began his career in the year 1964 with Bank of Baroda. He worked at various positions before retiring as Managing Director of BOBCARDS Limited. He is a Director in an NBFC viz Credila Financial Services Private Limited and Independent Director of Texmo Pipes & Products Limited. He is also Additional Director in Calyx Chemicals & Pharmaceuticals Limited and Yallamanchili Software Exports Limited.

Mr. Chakradhar Bharat Chhaya does not hold any Shares of the Company.

The Board of Directors are confident that he will be of great value to the Company and hence recommend the resolution for your approval as set out under item No. 6 of the Notice.

None of the Directors except Mr. Chakradhar B. Chhaya is concerned or interested in the said resolution.

Item No. 7

The Company has been borrowing money from time to time from Banks or otherwise for the Working Capital and for on going expansion or modernization programmes. The Banks at some instances have raised a query that the Memorandum of Association of the Company does not contain explicitly a borrowing clause in its Objects. Therefore, in order to meet with the requirements of the Bankers it is proposed to amend the Other Objects Clause of Memorandum of Association of the Company by adding a new Clause empowering the Board of Directors for borrowing.

Section 17 of the Companies Act, 1956 provides that an amendment in the Objects Clause of Memorandum of Association is required to be approved by passing a Special Resolution.

Your Directors therefore, recommend passing of the Special Resolution as set out under Item No. 7 of the Notice of the meeting.

None of the Directors of the Company is concerned or interested in passing of the resolution.

A copy of the Memorandum of Association of the Company, with the proposed amendment, will be available for inspection at the Registered Office of the Company on all working days of the Company between 10.00 a.m. and 12.00 noon, except Saturdays, Sundays and other Public Holidays.

Place: Mumbai
Date: 21st July, 2010

By Order of the Board
Qaiser P. Ansari
Company Secretary