



aries agro limited

Energizing Earth

42 nd

Annual Report
2011 - 2012





Recognition Of Partners Of
Maharashtra's Cotton Revolution
As The Nation And Maharashtra
Completes A Decade Of Successful
Bt Cotton Farming.
Dr. Jimmy Mirchandani
At CII Agri Vision 2020
- 13th April 2012

Special Star Performers Meet &
Training Programme At Goa
- 11th / 12th June 2012



Awarded By Inc 500 Magazine
For Exemplary Growth In 2011

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Members,

It is with great pleasure that I present to you the 42nd Annual Report of your Company, Aries Agro Limited.

2011-12, the year under review in this Report, once again highlighted the dependence of the agri business sector on weather conditions. The Kharif (summer) season began about a month late due to delayed rains. But the season received adequate rainfall over all. As a result, the first half of the financial year showed positive growth and healthy demand for the entire range of products. However, this was followed by highly unlikely situation of an extreme cold wave during the Rabi (winter) season. This cold wave conditions resulted in several crops across all Northern and Central states being affected due to crop dormancy and frost attack. Productivity was adversely affected. The winter season did hamper our growth plans as a result of this new uncertainty. Despite this, the Company's revenues increased by 16% percent in the second half of the year. Though for the sake of improving demand additional trade schemes and discounts were offered to retain market share affecting profitability in the fourth quarter.

The highly erratic supply position and increased rates of Urea and DAP fertilizers added to the demand for the Company's range of NPK Water Soluble Fertilizers. It must be noted that the margins on NPK Water Soluble Fertilizer are lower than micronutrients and secondary nutrients as a result of which increased sales in this segment (especially in the second half of the year) did have an impact on overall margins. In addition, the Company also scaled up its efforts to sell to large institutions. Institutional business though lower in profitability, is strategically important to expand our overall market share.

The year under review showed an increase in interest costs by Rs. 8.26 Crores and this represents an increase of 65 percent. We recognize that a move to non-funded sources of working capital and also maintaining inventory of only key products which constitutes the majority of the business of the Company is an alternative to reduce this drain on the Company's profitability due to increase interest costs. The rising costs of raw materials, fuel, processing, labour and interest rates continue to remain a source of concern and have impacted the Company during the entire financial year. We have been able to counter this inflationary pressure partially by cost control on production and administrative costs.

Delivering on the goal of an agriculturally progressive and self sufficient nation needs the agriculture sector to be transformed with and by youth, skills, knowledge and endless persistence. **Aries and Institute of Technology and Management (ITM) Trust have entered into a Memorandum of Understanding (MoU) on February 14, 2012 to work together towards the launch of a specialized ITM-Aries Agro PGDM Programme in Agribusiness Management.** The first batch for this programme will begin on ITM's campuses soon.

We were awarded "**Certificate of Excellence**" in recognition of **our Exemplary Growth** – in this year's Inc India 500 ranking of India's 500 fastest-growing mid-size enterprises. Inc. India 500 is an offshoot of the annual Inc. 500 Awards: "Est. in 1982 in America. Inclusion on this list is a mark of entrepreneurial success and elevates our company above its competitors and is a proof of the talent, drive and hard work our team have brought to our business

Your Company is in the process of launching 2 new products during 2012-13. This includes Zincated Sulphur Bentonite and EDDHA range of chelates. In addition, the Company will also be expanding its presence in new markets like Kashmir, Kerala, Manipur and Goa. It will also be focusing on more products for specialized crops such as cardamom, saffron and apple. The Company will be progressively phasing out 10 products which are very similar to existing products in the range to avoid some amount of duplication and reduce the number of stock keeping units in our inventory.

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. With very minimal advertising the company maintains that its farmers are its brand ambassadors and targets all its activities to build this ecosystem.

We have also been actively participating in Government Tenders under the National Food Security Mission and other State and Central Government Schemes. Some of our products including Aries Endomyco, Chelamin and Agromin have been included in various Government schemes and this is a positive development. We are also pursuing institutional business with seed companies, nurseries and plantations

International sales have commenced in 6 countries with supplies from Indian and UAE factories. Distributors have been appointed in 4 countries and we expect export and global sales to continue to grow rapidly

With increasingly erratic weather trends, the outlook for the year 2012-13 seems neutral. We are taking steps to ensure that uncertainty has a minimal impact on your company's growth and profitability. Your Company's extensive distribution network, diversified product portfolio, reach to varied climatic areas and realignment of focus on crops that will realize better prices will definitely have a beneficial impact on your company's growth and profitability.

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, 2012
Statement of Profit & Loss for the year ended March 31, 2012 with Director's Report
**42nd Annual Report
2011 - 2012**
BOARD OF DIRECTORS

Dr. Jimmy Mirchandani
Chairman & Managing Director

Dr. Rahul Mirchandani
Executive Director

Dr. D. S. Jadhav
Prof. R. S. S. Mani,
Mr. Akshay Mirchandani
Mr. C. B. Chhaya

AUDIT COMMITTEE

Prof. R. S. S. Mani, Chairman
Dr. D. S. Jadhav
Dr. Rahul Mirchandani

SHARE HOLDERS/INVESTORS GRIEVANCES COMMITTEE

Prof. R. S. S. Mani, Chairman
Dr. Jimmy Mirchandani
Dr. Rahul Mirchandani

REMUNERATION COMMITTEE

Dr. D. S. Jadhav, Chairman
Prof. R. S. S. Mani,
Mr. C. B. Chhaya

TREASURY COMMITTEE

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

CHIEF FINANCIAL OFFICER

Mr. S. Ramamurthy

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Qaiser P. Ansari

AUDITOR

M/s. Kirti D. Shah and Associates

INTERNAL AUDITOR

M/s. Kirit Manek & Co.

COST AUDITOR

M/s. R. Nanabhoy & Co.

BANKERS

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

BRANCHES/STOCK LOCATIONS

Ahmedabad, Gujarat
Bangalore, Karnataka
Bellary, Karnataka
Bhubaneswar, 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
Panvel, Maharashtra
Patna, Bihar
Raipur, Chhattisgarh
Ranchi, Jharkhand
Rudrapur, Uttaranchal
Solapur, Maharashtra
Sriganganagar, Rajasthan
Vijayawada, Andhra Pradesh

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 Second Annual General Meeting of the Members of **ARIES AGRO LIMITED** will be held on Friday, the 28th September, 2012 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, 2012 and Statement of Profit and Loss 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 31.03.2012.
3. To appoint a Director in place of Dr. Jimmy Mirchandani who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Prof. R. S. S. Mani 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. **Re-appointment of Dr. Jimmy Mirchandani as the Chairman & Managing Director and revision in remuneration.**

To consider and pass following resolution as a Special Resolution with or without modification:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (hereinafter referred to as the “Act”) and subject to such approvals, if any, as may be necessary, approval of the Company be and is hereby accorded to the re-appointment of and payment of remuneration to Dr. Jimmy Mirchandani as the Chairman & Managing Director of the Company for a period of 3(Three) years commencing from 1st October, 2012 upto and inclusive of 30th September, 2015 on the terms and condition including remuneration as broadly specified below and more specifically as set out in the draft Agreement submitted to this meeting and signed by the Chairman for the purpose of identification which Agreement is hereby specifically sanctioned with a liberty to the Directors to alter and vary the terms and conditions of the said appointment and / or Agreement as may be agreed to between the Directors and Dr. Jimmy Mirchandani:

OVERALL REMUNERATION

Subject to the provisions of Section 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions of the Companies Act, 1956, minimum remuneration as mentioned hereunder, the remuneration payable to Dr. Jimmy Mirchandani, in any financial year shall not exceed 5%(Five percent) of the net profits of the Company.

MINIMUM REMUNERATION

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

SALARY, PERQUISITES AND ALLOWANCES

Not Exceeding Rs. 4,00,000/- pm inclusive of all perquisites and allowances(as stated below) except those specifically excluded as per Schedule XIII of the Act.

COMMISSION:

As decided by the Board of Directors at the time of adoption of accounts, but not exceeding the ceiling in respect of overall remuneration as prescribed under Section 198 and 309 of the Companies Act, 1956.

Other Terms and Conditions:

PERQUISITES :

- A. Rent Free furnished accommodation or house rent allowance not exceeding Rs. 30,000/- per month along with benefits of gas, fuel, water, electricity and telephone/fax as also upkeep and maintenance of the residential accommodation the value of such accommodation and its upkeep and maintenance being evaluated in accordance with the provisions of the Income Tax Rules. Personal long distance calls will be billed to Dr. Jimmy Mirchandani.
- B. Conveyance : Company car with chauffeur or alternatively Company to maintain Dr. Jimmy Mirchandani's personal car and provide him with a chauffeur; monetary value for private use to be evaluated in accordance with the Income Tax Rules.
- C. Medical Benefits : Reimbursement of medical expenses for himself and his family actually incurred during the continuance of his employment as per Rules of the Company upto a limit of one months salary in a year or three months salary over a period of three years.
- D. Leave : 30 working days leave (traveling time included) once in every year of service, with encashment of unavailed leave at the end of the tenure.
- E. Leave Travel Assistance : Leave travel concession for self and family, once every year or as per Rules of the Company upto a limit of one months salary in a year.
- F. Other Perquisites e.g. Personal Accident Insurance for himself and for his family and Club Fees(Subject to a maximum of two clubs. No admission or life membership fee will be paid) and any others, upto a maximum of Rs. 20,000/- p.m.
- G. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961; gratuity payable at a rate not exceeding half a month salary for each

completed year of service and encashment of unavailed leave at the end of tenure shall not be included in the computation of the ceiling on remuneration in terms of Schedule XIII of the Companies Act, 1956.

SITTING FEES

Dr. Jimmy Mirchandani will not be entitled to sitting fees for meetings of the Board / Committee of the Board attended by him."

7. Re-appointment of Dr. Rahul Mirchandani as the Executive Director and revision in remuneration.

To consider and pass following resolution as a Special Resolution with or without modification:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (hereinafter referred to as the "Act") and subject to such approvals, if any, as may be necessary, approval of the Company be and is hereby accorded to the re-appointment of and payment of remuneration to Dr. Rahul Mirchandani as the Executive Director of the Company for a period of 3(Three) years commencing from 1st October, 2012 upto and inclusive of 30th September, 2015 on the terms and condition including remuneration as broadly specified below and more specifically as set out in the draft Agreement submitted to this meeting and signed by the Chairman for the purpose of identification which Agreement is hereby specifically sanctioned with a liberty to the Directors to alter and vary the terms and conditions of the said appointment and / or Agreement, as may be agreed to between the Directors and Dr. Rahul Mirchandani:

OVERALL REMUNERATION

Subject to the provisions of Section 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions of the Companies Act, 1956, minimum remuneration mentioned hereunder, the remuneration payable to Dr. Rahul Mirchandani, in any financial year shall not exceed 5%(Five percent) of the net profits of the Company.

MINIMUM REMUNERATION

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

SALARY, PERQUISITES AND ALLOWANCES

Not Exceeding Rs. 3,80,000/- pm inclusive of all perquisites and allowances(as stated below) except those specifically excluded as per Schedule XIII of the Act.

COMMISSION:

As decided by the Board of Directors at the time of adoption of accounts, but not exceeding the ceiling in respect of overall remuneration as prescribed under Section 198 and 309 of the Companies Act, 1956.

Other Terms and Conditions:

PERQUISITES :

- A. Rent Free furnished accommodation or house rent allowance not exceeding Rs. 29,000/- per month along with benefits of gas, fuel, water, electricity and telephone/fax as also upkeep and maintenance of the residential accommodation the value of such accommodation and its upkeep and maintenance being evaluated in accordance with the provisions of the Income Tax Rules. Personal long distance calls will be billed to Dr. Rahul Mirchandani.
- B. Conveyance : Company car with chauffeur or alternatively Company to maintain Dr. Rahul Mirchandani's personal car and provide him with a chauffeur; monetary value for private use to be evaluated in accordance with the Income Tax Rules.
- C. Medical Benefits : Reimbursement of medical expenses for himself and his family actually incurred during the continuance of his employment as per Rules of the Company upto a limit of one months salary in a year or three months salary over a period of three years.
- D. Leave : 30 working days leave (traveling time included) once in every year of service, with encashment of unavailed leave at the end of the tenure.
- E. Leave Travel Assistance : Leave travel concession for self and family, once every year or as per Rules of the Company.
- F. Other Perquisites e.g. Personal Accident Insurance for himself and for his family and Club Fees(Subject to a maximum of two clubs. No admission or life membership fee will be paid) and any others, upto a maximum of Rs. 12,667/- p.m.
- G. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961; gratuity payable at a rate not exceeding half a month salary for each completed year of service and encashment of unavailed leave at the end of tenure shall not be included in the computation of the ceiling on remuneration in terms of Schedule XIII of the Companies Act, 1956.

SITTING FEES

Dr. Rahul Mirchandani will not be entitled to sitting fees for meetings of the Board / Committee of the Board attended by him."

By Order of the Board

Place: Mumbai
Date: 14th August, 2012

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, 22nd September, 2012 to Friday, 28th September, 2012 (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 23rd October, 2012 to those members whose names appear on the Register of Members on 28th September, 2012 after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 31st August, 2012. 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 21st September, 2012 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 mention below.
17. 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. 29th September, 2011 and the same is also displayed in the Investor Relations Section on our web-site at www.ariesagro.com.
18. Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting are given below:

19.

| Particulars required | Information |
|---|---|
| Name of the Director | Dr. Jimmy Mirchandani |
| Date of Birth | 10 th January, 1956 |
| Date of Appointment | 15 th January, 1976 |
| Expertise in specific functional areas | As Managing Director, he oversees all the functions and day to day affairs of the Company and particular Marketing, Finance and Administration. |
| Qualifications | B.Sc. (Veterinary), LL B. |
| Chairman/Member of the Committees of the Board of Directors of the Company. | Treasury Committee |
| Directorship in other Companies | Sreeni Agro Chemicals Pvt. Ltd. Aries East-West Nutrients Pvt. Ltd. Blossoms International Ltd. Aries Agro Care Pvt. Ltd. Aries Agro Equipments Pvt. Ltd. Aries Agro Produce Private Limited Golden Harvest Middle East FZC Amarak Chemicals FZC |
| 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 | Prof R. S. S. Mani |
| Date of Birth | 31 st May, 1963 |
| Date of Appointment | 16 th August, 2004 |
| Expertise in specific functional areas | Independent Director |
| Qualifications | B.Sc./M.A. Personnel Management & Industrial Relations, TISS |
| Chairman/Member of the Committees of the Board of Directors of the Company. | Chairman of Audit Committee Member of Remuneration Committee Chairman of Share Holders/Investors Grievance Committee |
| Directorship in other Companies | Aries Agro Care Private Limited Aries Agro Equipments Private Limited |
| Membership of Audit Committee of other public limited companies | NIL |
| Membership of any other committee of other public limited companies. | NIL |

20. 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 and 7

The present terms of Dr. Jimmy Mirchandani as Chairman & Managing Director and Dr. Rahul Mirchandani as Executive Director will expire on 30th September, 2012.

The Board of Directors of the Company at its Meeting held on 14th August, 2012 re-appointed Dr. Jimmy Mirchandani as Chairman & Managing Director and Dr. Rahul Mirchandani as Executive Director of the Company, with effect from 1st October, 2012 for a further period of 3(Three) Years, subject to the approval of the Company in General Meeting in accordance with Schedule XIII of the Act. The Remuneration Committee at their meeting held on 14th August, 2012 have, after considering the various factors namely prevailing pay packets, responsibilities being shouldered by Working Directors, their contribution for the growth of the Company etc., have sanctioned and fixed the remuneration as stated in the resolutions under Item No. 6 and 7.

Information pursuant to the provisions of Schedule XIII of the Companies Act, 1956 and forming part of the explanatory statement to the Notice convening the Annual General Meeting.

I. GENERAL INFORMATION

(1) Nature of Industry:

The Company can be broadly classified as a diversified Company engaged in manufacturing Micronutrients. The Company also deals in Veterinary products on a small scale. The Company has also started dealing and manufacturing Soluble Fertilisers and Sulphur based fertilizers.

Outstanding Achievements:

The Company won the “CNBC Emerging India Award 2008”, in recognition of being best performing and most promising SME in the FMCG, Food and Agri-business category.

The Company was also conferred with the SMB Award being one of the Top 500 Indian Manufacturing SMBs for 2007.

The Company was conferred 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.

The Company one amongst 10 Agri Business companies selected by the United States Government to showcase agricultural innovation and its impact at the Indo Agri Expo held in Mumbai on 7th November, 2010. The Expo and the Aries Stall were visited by US President, Mr. Barack Obama.

The Company was ranked amongst India's 500 fastest-growing mid-size enterprises in the year 2011 by Inc. India 500 which is an offshoot of the annual Inc. 500 Awards: “Est. in 1982 in America, which is also a testimony to the outstanding ingenuity and determination of companies in India.

(2) Date or expected date of commencement of commercial production:

The Company was incorporated in the year 1969 and since then has been into production.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus –

Not Applicable.

(4) Financial performance based on given indicators (Based on Audited published financial statement for the year 31/03/2011 & 31.03.2012).

| | | As on 31.03.2012 | As on 31.03.2011 |
|---|---|---------------------|---------------------|
| 1 | Sales to Profit before Interest, Depreciation & Tax | 20.51% | 23.61% |
| 2 | Sales to Profit before Depreciation & Tax | 9.60% | 15.49% |
| 3 | Current Ratio | 1.45 | 1.47 |
| 4 | Debt Equity Ratio | 1.05 | 0.94 |
| 5 | Earning Per Share | Rs. 8.03 per share | Rs. 11.06 per share |

(5) Export Performance and net foreign exchange collaborations

| | | As on 31/03/2012 (Rs. In Lacs) | As on 31/03/2011 (Rs. In Lacs) | Remarks |
|----|-------------------------------------|--------------------------------------|--------------------------------------|------------------------------------|
| 1. | Export Earnings | 471.78 | 772.80 | -- |
| 2. | Net Foreign Exchange Collaborations | NIL | NIL | No Foreign Exchange Collaborations |

(6) Foreign Investments or Collaborators, if any.

There is no investment by Foreign Collaborators but the FII & Non Resident Indians are holding 4,59,866 Equity Shares of Rs.10/- each fully paid up. The Company's overseas investment in aggregate is Rs. 2,024.89 Lakhs in its subsidiary abroad.

II. INFORMATION ABOUT THE APPOINTEES

A. DR. JIMMY MIRCHANDANI

1) Background details:

Dr. Jimmy Mirchandani has been in continuous employment of the Company since 15th January, 1976. He was re-appointed as Chairman & Managing Director of the Company for a period of 3 years from 01/10/2009 to 30/09/2012 by the members of the Company at their 39th Annual General Meeting (AGM) held on 29th September, 2009.

2) Past remuneration:

As per the approval granted by the members of the Company at their 39th AGM held on 29th September, 2009, Dr. Jimmy Mirchandani was entitled to overall remuneration of not exceeding 5% of the Net Profits of the Company in any financial year. Within the said overall remuneration Dr. Jimmy Mirchandani was entitled to a remuneration of Rs. 4,00,000/- p.m. including perquisites as per schedule XIII of the Companies Act, 1956. Dr. Jimmy Mirchandani was also entitled for Commission within the overall remuneration as prescribed under Section 198 and 309 read with Schedule XIII of the Companies Act, 1956.

3) Recognition and Awards:

Dr. Jimmy Mirchandani has a rich and extensive experience of management and his vision and commitment has enabled the Company steer through the most difficult times the Company has faced.