



**43rd  
ANNUAL  
REPORT  
2012-2013**

 **aries agro limited**  
Energizing Earth

TRICHY CUSTOMER MEET



NEW AG INTERNATIONAL  
CONFERENCE & MEETING (BRAZIL)



EMPLOYEES HONOURED FOR COMPLETING 25 YEARS IN ARIES



ARIES ANNUAL DEALER MEET AT DELLA ADVENTURE PARK, LONAVLA ON 18TH APRIL 2013





## CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Members,

It is with great pleasure that I present to you the 43<sup>rd</sup> Annual Report of your Company, Aries Agro Limited.

During 2012-13, the year under review in this Report, the monsoons were highly erratic until August 2012. The shortfall in rain was as high as 20% below long period average and the monsoons were being discussed as the worst in 65 years. However, the drought affected areas received some respite towards the end of the season and the four month long rainfall season drew to a close with a rain deficit of 8% as per Indian Meteorological Department. This unpredictable monsoon season across space and time led to a very haphazard progress of the Kharif season.

In the second half of the year, water woes were further amplified with labour and power shortages. Acute power unavailability in almost all southern states and in many other parts of the country led to a situation where despite reservoirs and water table being adequate, farmers were unable to draw water using electric pump sets due to shortage of electricity for several hours in a day. These factors led to your Company's revenue reducing slightly by 2.5%.

However, it is noteworthy that international business increased by 17% and now constitutes 32% of the total revenue of the Aries Group. International sales have commenced in Sri Lanka, Bangladesh, Pakistan, Equador, Brazil, USA, Taiwan, Kenya, Vietnam, Australia and New Zealand with supplies from Indian and UAE factories. Distributors have been appointed in Brazil, Equador, Sri Lanka and New Zealand and we expect export and global sales to continue to grow and form 35% of the group revenues of the Company by Financial Year 2013-14.

Aries' business remains working capital intensive and necessitates providing seasonal credit to dealers and distributors and maintaining inventories at 26 depots and 5 factories across the country. With a portfolio of 84 brands and multiple Stock Keeping Units (SKUs) for large number of products, the inventory load on working capital is also significantly high. As a result, the Company's working capital funding costs have been on the higher side. However, with strict working capital management during the year under review we managed to decrease the interest cost by Rs.1.17 Crores.

Costs of raw materials, fuel, processing, labour and interest rates continue to rise and have impacted the Company adversely during the entire financial year. Though the Company has raised its billing rates in all the 4 quarters of the financial year for its entire range of products, a major portion of the cost increase is yet to be passed on to the market. With depressed demand situation especially in the second half of the year, it was considered prudent not to increase prices beyond a point with an intention to retain interest of farmers in using specialty plant nutrients. Cost control on production and administrative costs have only partially been able to counter this inflationary pressure. It was also considered prudent to place stringent controls on man power deployed in various areas.

Aries has sourced 47% of its total raw materials from overseas suppliers located in China, Israel, Turkey, U.A.E., U.S.A, U.K., Belgium, Netherlands, Japan and South Africa. Imports constitute 58% of our total purchases and our Company has identified a pool

of reliable overseas suppliers. However, the depreciation in the Indian rupee and large volatility in exchange rates during the current financial year continues to remain a major source of concern.

Aries has scaled up the utilization of its manufacturing facilities during the year 2012-13. The total capacity utilization currently stands at 45% of the total installed capacity of 84,600 MT p.a. in India. Our international manufacturing facilities at UAE have also shown improved capacity utilization which currently stands at 38 % of the total installed capacity overseas. The Company's new manufacturing facility at Chhatral, near Ahmedabad was inaugurated on 17<sup>th</sup> October, 2012 and has since been fully commissioned. The factory currently produces multi micronutrient fertilisers including a new fast selling specialty nutrition product, Fertisol. The Company has also improved the cost structure of products being manufactured at Chhatral by changing the fuel source from diesel to natural gas.

Aries continues to strongly support knowledge sharing activities in rural areas. Over 2742 knowledge dissemination activities were undertaken during the year under review impacting 73599 farmers. Aries organized various state level farmer's conferences at Andhra Pradesh, Maharashtra, Bihar, Gujarat, Haryana, Punjab, Rajasthan, Uttar Pradesh and Odisha. A mass awareness campaign using Krishi Vigyan Vahans (KVV) was conducted to reach out to remote area farmers in the State of Chhattisgarh as part of the Gram Swaraj Abhiyan organized by Government of Chhattisgarh during the year. The Company has organized during the year soil testing camps in Andhra Pradesh using Mobile Soil Testing Kits and 1763 Soil Health Cards were issued to farmers providing an additional service in order that they understand the specific nutrient needs of their farms.

The 2013 monsoons have commenced on schedule and are progressing well. The Company will be adding additional 3 products during the year 2013-14 including Hortimin, Moto Control and Agri Plex. However, we shall also be progressively phasing out 5 of the products which are very similar to existing products in the range to avoid some amount of duplication and to reduce the number of stock keeping units in our inventory.

With a good monsoon season, the outlook for the year 2013-14 seems positive. Your Company's extensive distribution network, diversified product portfolio, reach to varied climatic areas and realignment of focus on crops and products that will realize better prices will definitely have a beneficial impact on your company's growth and profitability.

For the second consecutive year, 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. It is a proof of the talent, drive and hard work our team have brought to our business

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, 2013****Statement of Profit & Loss for the year ended March 31, 2013 with Director's Report****43<sup>rd</sup> Annual Report  
2012 - 2013****BOARD OF DIRECTORS****Dr. Jimmy Mirchandani**  
Chairman & Managing Director**Dr. Rahul Mirchandani**  
Executive Director**Dr. D. S. Jadhav** upto 12.11.2012**Prof. R. S. S. Mani,****Mr. Akshay Mirchandani****Mr. C. B. Chhaya****Mr. B. V. Dholakia** w.e.f. 13.11.2012**AUDIT COMMITTEE****Prof. R. S. S. Mani,** Chairman**Dr. D. S. Jadhav** upto 12.11.2012**Dr. Rahul Mirchandani****Mr. B. V. Dholakia** w.e.f. 13.11.2012**SHARE HOLDERS/INVESTORS GRIEVANCES  
COMMITTEE****Prof. R. S. S. Mani,** Chairman**Dr. Jimmy Mirchandani****Dr. Rahul Mirchandani****REMUNERATION COMMITTEE****Dr. D. S. Jadhav,** upto 12.11.2012**Prof. R. S. S. Mani,** Chairman**Mr. C. B. Chhaya****Mr. B. V. Dholakia** w.e.f. 13.11.2012**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****Kirti D. Shah and Associates****INTERNAL AUDITOR****Kirit Manek & Co.****COST AUDITOR****R. Nanabhoy & Co.****BANKERS****AXIS Bank Ltd.****ICICI Bank Ltd.****HDFC Bank Limited****Canara Bank****BRANCHES/STOCK LOCATIONS****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**Kolkata,** West Bengal**Lucknow,** Uttar Pradesh**Nagpur,** Maharashtra**Nashik,** Maharashtra**Nipani,** Karnataka**Panvel,** Maharashtra**Patna,** Bihar**Raipur,** Chhatisgarh**Ranchi,** Jharkhand,**Rudrapur,** Uttaranchal**Siliguri,** West Bengal**Solapur,** Maharashtra**Sriganganagar,** Rajasthan**Vijayawada,** Andhra Pradesh**MANUFACTURING LOCATIONS**

Mumbai

Bangalore

Hyderabad

Kolkata

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](http://www.ariesagro.com)

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Forty Third Annual General Meeting of the Members of **ARIES AGRO LIMITED** will be held on Monday, the 30<sup>th</sup> September, 2013 at 10.00 a.m. at The Chembur Gymkhana, 16<sup>th</sup> 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 31<sup>st</sup> March, 2013 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 31.03.2013.
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 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. **Appointment of Mr. Bhumitra Vinodchandra Dholakia as a Director of the Company**

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

“RESOLVED THAT Mr. Bhumitra Vinodchandra Dholakia, who was appointed by the Board of Directors as an Additional Director with effect from 13<sup>th</sup> November, 2012 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. **Alteration of the Article No. 179 of the Articles of Association of the Company**

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

“RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Article No. 179 of the Articles of Association of the Company (“Articles”) be and is hereby amended and altered as under:-

179. The phrase “ **from amongst their members who may be Managing Director or Whole Time Director or Executive Director**” be added after the phrase “ *of their meetings*” but before “*and determine the period* “ and that amended Article No. 179 will read as under:-

*179. The Board may elect a Chairman of their meetings from amongst their members who may be Managing Director or Whole Time Director or Executive Director and determine the period for which he is to hold office. If no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, or is unwilling to preside, the Directors present may choose one of their members to be Chairman of such meeting.*

**By Order of the Board**

Place: Mumbai  
Date: 14<sup>th</sup> August, 2013

**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, 21<sup>st</sup> September, 2013 to Monday, 30<sup>th</sup> September, 2013 (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 25<sup>th</sup> October, 2013 to those members whose names appear on the Register of Members on 20<sup>th</sup> September, 2013 after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 13<sup>th</sup> September, 2013. 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 20<sup>th</sup> September, 2013 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 made it mandatory to print the Bank Details of the Investors on the physical payment instruments, if any payment is made to Investors by physical payment instrument. Members holding shares in physical form are requested to immediately submit their Bank Details to the Company/Registrars and Transfer Agents, M/s Aarthi Consultants Private Limited.
13. 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.
14. 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.
15. **Members are requested to bring their copy of the Annual Report to the Annual General Meeting.**
16. 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.
17. 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.
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](http://www.ariesagro.com).
19. Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting are given below:

20.

Particulars required	Information
Name of the Director	Dr. Rahul Mirchandani
Date of Birth	12 <sup>th</sup> August, 1975
Date of Appointment	2 <sup>nd</sup> 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 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
Particulars required	Information
Name of the Director	Mr. Chakradhar Bharat Chhaya
Date of Birth	9 <sup>th</sup> November, 1943
Date of Appointment	29 <sup>th</sup> October, 2009
Expertise in specific functional areas	Independent Director
Qualifications	B.Com., FCMA, 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 4. 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
Particulars required	Information
Name of the Director	Mr. Bhumitra Vinodchandra Dholakia
Date of Birth	3 <sup>rd</sup> September, 1949
Date of Appointment	13 <sup>th</sup> November, 2012
Expertise in specific functional areas	Independent Director
Qualifications	B.A., LL.B., CAIIB. FCS.
Chairman/Member of the Committees of the Board of Directors of the Company.	Member of Audit Committee. Member of the Remuneration Committee.
Directorship in other Companies	1. Mruga Corporate Services Limited 2. Calyx Chemicals & Pharmaceuticals Limited 3. Rapicut Carbides Limited
Membership of Audit Committee of other Public Limited Companies	NIL
Membership of any other Committee of other Public Limited Companies.	1. Calyx Chemicals & Pharmaceuticals Limited-Chairman of Remuneration Committee and Share Holders and Investors Grievances Committee

21. 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@aarthiconsultants.com Website: www.aarthiconsultants.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 12<sup>th</sup> November, 2012, Mr. Bhumitra Vinodchandra Dholakia was appointed as an Additional Director with effect from 13<sup>th</sup> November, 2012, to hold office till the date of the next Annual General Meeting of the Company. Mr. Bhumitra Vinodchandra Dholakia 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. Bhumitra Vinodchandra Dholakia in terms of Clause 49 of the Listing Agreement is given in the annexure to the Notice.

Mr. Bhumitra Vinodchandra Dholakia is Bachelor of Arts (Economics) and Law obtained from Gujarat University and is a Certified Associate of Indian Institute of Bankers. He holds a Certificate of Practice as Company Secretary and is a Fellow Member of the Institute of Company Secretaries of India, New Delhi. He has more than 35 years of experience as a Company Secretary and has been in Whole Time Practice for 28 years. He was earlier associated with Precision Fastners Limited. Mr. Bhumitra Vinodchandra Dholakia is the proprietor of M/s. Dholakia & Associates, Company Secretaries since April, 1984. He is also a Partner of M/s. Shah Dholakia & Associates, Company Secretaries, rendering Company Law, Secretarial and Legal Services on Retainership basis to our Company till October, 2012. He is a Director in M/S. Mruga Corporate Services Limited and Independent Director of Calyx Chemicals & Pharmaceuticals Limited and Rapicut Carbides Limited.

Mr. Bhumitra Vinodchandra Dholakia 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. Bhumitra Vinodchandra Dholakia is concerned or interested in the said resolution.

**Item No. 7**

Clause No. 203 of the Companies Bill, 2013 duly passed by Loksabha and Rajyasabha states that unless Articles of Association of the Company provide for appointment of Managing Director as its Chairman or Chairperson the Board should appoint any Director other than Managing Director as the Chairman of the Company.

**203. (1) Every Company belonging to such class or classes of Companies as may be prescribed shall have the following Whole-Time Key Managerial Personnel,—**

*(i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-Time Director; and*

*(ii) Company Secretary:*

*Provided that unless the Articles of such a Company provide otherwise, an individual shall not be the chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company at the same time.*

The existing Article 179 of the Articles of Association of the Company does not contain provisions similar to Clause 203 of the Companies Bill. The existing Article is reproduced as under :-

*179. The Board may elect a Chairman of their meetings and determine the period for which he is to hold office. If no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, or is unwilling to preside, the Directors present may choose one of their members to be Chairman of such meeting.*

Considering the size of the Company it is administratively convenient that the Chairman and Managing Director or Whole Time Director or Executive Director is the same person. Board recommends the resolution for passage.

None of the Directors except Dr. Jimmy Mirchandani, Dr. Rahul Mirchandani and Mr. Akshay Mirchandani is concerned or interested in this Resolution.

**By Order of the Board**

Place: Mumbai  
Date: 14<sup>th</sup> August, 2013

**Kaiser P. Ansari**  
**Company Secretary**

## DIRECTORS' REPORT

To  
The Members,  
Aries Agro Limited

Your Directors have pleasure in presenting their 43<sup>rd</sup> Annual Report on the operations of the Company together with the Audited Statements of Accounts for the Financial Year ended 31<sup>st</sup> March, 2013.

### FINANCIAL RESULTS

(Rs. In Lakhs)

PARTICULARS	AS AT 31.03.2013		AS AT 31.03.2012	
Total Revenue		<b>18,999.06</b>		19,694.09
Profit Before Tax Interest & Depreciation		<b>3,688.75</b>		3,930.76
Less: Interest	<b>2100.54</b>		2,091.88	
Depreciation	<b>184.77</b>		188.64	
Profit Before Tax		<b>1,403.44</b>		1,650.24
Provision for Taxation	<b>7.85</b>		546.00	
Deferred Tax	<b>424.80</b>	<b>432.66</b>	6.01	552.01
<b>Profit After Tax</b>		<b>970.79</b>		1,098.23
Balance Brought Forward		<b>4,894.77</b>		4,227.63
Exceptional Items	<b>36.65</b>	<b>36.65</b>	53.62	53.62
Amount available for appropriation		<b>5,828.91</b>		5,272.24
General Reserve		<b>100.00</b>		150.00
Proposed Dividend		<b>195.07</b>		195.07
Tax on Proposed Dividend		<b>33.15</b>		32.40
Surplus Carried Forward to Balance Sheet		<b>5,500.69</b>		4,894.77

### OPERATIONS

During the year under review, the earnings before Interest, Depreciation and Tax was Rs. 3,688.75 Lakhs compared to Rs 3,930.75 Lakhs in the previous year. The Total Revenue for the year net of excise duty was Rs.18,675.87 Lakhs as against Rs. 19,162.38 Lakhs in the previous year reflecting in a decline of 2.54%. Profit after tax for the year was Rs. 970.79 Lakhs compared to Rs. 1,098.23 Lakhs in the previous year. Despite marginal reduction in turnover the profitability of the Company as a percentage has more or less remained flat.

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 84 brands. For detailed discussion please refer to the Management Discussion Analysis forming part of this report.

### DIVIDEND

After considering the impact of delayed monsoon, requirement of the fund and objective of rewarding the shareholders the Directors have

recommended a Dividend of 15 % being Rs. 1.50 per Equity Share of Rs. 10/- each subject to your approval at the ensuing Annual General Meeting. The Dividend, if approved, will result in an outflow of Rs. 228.21 lakhs including Dividend Distribution Tax.

### TRANSFER TO RESERVES

Your Directors propose to transfer Rs. 100.00 Lakhs to the General Reserve out of the current year's profit and the Balance aggregating to Rs. 5,500.69 Lakhs is proposed to be retained in the Profit & Loss Account.

### FUTURE PROSPECTS

The Company is phasing out its plant protection range of traded products and shall continue with only manufactured products of Plantomycin and Agronaa under this category.

The Company has also identified a unique product for biological control of pests using horticultural mineral oil procured from one of India's largest Oil refining Company. This product will be launched in the name of Hortimin in two grades, one for apple crop and one for fruits and vegetables.

The Company understands that acute power shortages are causing extreme hardship to the farmers. Farm labour is required at odd hours to travel to the field to switch on/off and manage water pumps. To solve this problem, the Company is launching Aries Moto Control, which is a state of the art system to switch on/off and manage water flow in the fields using the farmer's mobile phone. This will ensure that farmers can save on labour costs and remotely manage their water pumps even if they are not physically present at or near the field.

The Company has also put in place a dedicated team to promote the product range in institutional, government and international markets. This focused activity may result in an increase of about Rs.1,000/- Lakhs to the Company's revenue . This trend is expected to continue.

### 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 26<sup>th</sup> December, 2007 and as amended by the members at their Annual General Meeting held on 29<sup>th</sup> 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

Your Company has five subsidiaries viz Aries Agro Care Private Limited, Aries Agro Equipments Private Limited, Aries Agro Produce Private Limited, Golden Harvest Middle East FZC and a Step Down Subsidiary viz Amarak Chemicals FZC.