

REPORT ON CORPORATE GOVERNANCE

Corporate Governance Philosophy

The Company is fully committed to the principles of good Corporate Governance. It ensures efficient conduct of affairs of the Company to achieve its goal of maximizing value for its stakeholders. In compliance with the disclosure requirements of Clause 49 of the Listing Agreement executed with the Stock Exchanges, the details are set out below:-

1. Board of Directors

(A) Board Composition

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

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

(B) Attendance and Other Directorships

Attendance of Directors at Board Meetings, last Annual General Meeting and number of other Directorships and Chairmanships/ Memberships of Committees of each Director in various Companies as on 31st March, 2012 is as follows:-

Name of the Director & Designation and category	Attendance of Meetings during 2011-12		Directorship in other Public Companies incorporated in India	No. of Membership(s)/ Chairmanship(s) of Board Committees in other Companies	Inter Se Relation-ship
	Board Meetings	Last AGM held on 29 th September, 2011			
Dr. Jimmy Mirchandani Chairman & Managing Director (Promoter)(CMD)	4 (4)	Yes	1	NIL	Brother of ED and father of NED
Dr. Rahul Mirchandani Executive Director (Promoter)(ED)	3 (4)	Yes	2	NIL	Brother of CMD
Dr. D. S. Jadhav Director Non Executive (Independent)	4(4)	Yes	NIL	NIL	N.A.
Prof. R. S. S. Mani Director Non Executive (Independent)	4(4)	Yes	NIL	NIL	N.A.
Mr. Akshay Mirchandani Director Non-Executive (Promoter)(NED)	1(4)	Yes	NIL	NIL	Son of CMD
Mr. Chakradhar Bharat Chhaya Director Non Executive (Independent)	4(4)	No	3	6 (including 3 as Chairman)	N.A.

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

(C) Board Meetings

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

Four Board Meetings were held during the year, on 12.05.2011, 10.08.2011, 10.11.2011 and 14.02.2012.

The gap between two board meetings did not exceed four months.

(D) Code of Conduct

The Company has adopted a Code of Conduct for the members of the Board and the Senior Executives in compliance with the provision of Clause 49 of the Listing Agreement. All the members of the Board and the Management Committee have affirmed compliance to the Code of Conduct as on 31-03-2012, and a declaration to that effect signed by the Chairman & Managing Director is attached and forms a part of this Report.

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

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

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

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

(ii) Composition, Name of Members and Chairperson

The Audit Committee comprises of the following Directors:

Prof. R. S. S. Mani : Chairman (Independent Director)

Dr. D. S. Jadhav : Member (Independent Director)

Dr. Rahul Mirchandani : Member (Non-Independent Director)

The Chairman of the Audit Committee remains present at the Annual General Meeting. The previous Annual General Meeting of the Company was held on 29th September, 2011 and was attended by Prof. R. S. S. Mani, Chairman of the Audit Committee.

(iii) Meetings and Attendance during the year

The Audit Committee met 4 times during the year on 12.05.2011, 10.08.2011, 10.11.2011 and 14.02.2012. Not more than four months had elapsed between any two meetings.

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

Name of the Director	No. of meetings attended
Prof R. S. S. Mani	4
Dr. D. S. Jadhav	4
Dr. Rahul Mirchandani	3

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

3. REMUNERATION COMMITTEE

(i) Brief description of Terms of Reference

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

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

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

(iv) Remuneration Policy

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

(v) Details of Remuneration paid to the Directors for the year ended 31st March 2012.

i) Managing Director and Executive Director.

The Agreements with the Chairman & Managing Director and Executive Director are for a period of three Years from 01.10.2009 to 30.09.2012. They are due for re-appointment w.e.f. 01/10/2012. Their re-appointment is forming part of the Notice and the Agenda of the ensuing Annual General Meeting scheduled on 28th September, 2012.

The total remuneration paid to the Managing Director and Executive Director during the year 2011-12 was as under:

(Rupees Lacs)

Name	Salary	Commission	Contribution to Provident Fund Gratuity	Total
Dr. Jimmy Mirchandani Chairman & Managing Director.	46,80,000	38,00,000	3,45,600	88,25,600
Dr. Rahul Mirchandani Executive Director	45,60,004	38,00,000	4,17,600	87,77,604

Notes:

- The Agreements with the Managing Director, and Executive Director are for a period of three years upto 30th September, 2012. Either party to the Agreement is entitled to terminate by giving the other party a notice of 3 months They are due for re-appointment w.e.f. 01/10/2012. Their re-appointment is forming part of the Notice and the Agenda of the ensuing Annual General Meeting scheduled on 28th September, 2012.
 - The Managing Director and Executive Director are entitled to compensation for loss of office in accordance with and subject to restrictions laid down under section 318 of the Companies Act 1956.
 - Presently, the Company does not have a scheme for grant of Stock Options to its Working Directors
 - The Managing Director and Executive Director are entitled to Commission within the overall limit prescribed under sections 198 & 309 of the Companies Act, 1956.
- ii) The Non Executive Directors are not entitled to any Remuneration except payment of Sitting Fees for attending the Meetings of Board of Directors and Committees thereof. During the year 2011-12, the Company has paid total Sitting Fee of Rs. 4,05,000/- to Non Executive Directors as under:

Dr. D. S. Jadhav	Rs. 1,20,000.00
Prof. R. S. S. Mani	Rs. 1,25,000.00
Mr. Akshay Mirchandani	Rs. 20,000.00
Mr. C. B. Chhaya	Rs. 1,40,000.00

4. SHAREHOLDERS / INVESTORS GRIEVANCES COMMITTEE

(i) Composition of the Committee

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

The Committee consists of the following members:

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

(ii) Name & Designation of Compliance Officer:

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

(iii) to (v) A statement of various Complaints received and cleared by the Company during the year ended on 31st March, 2012 is given below:

	Nature of Complaint	Opening	No. of Complaints Received	Redressed	Pending
1.	Non- receipt of Refund Orders	1	0	1	0
2.	Non- receipt of Dividend Warrants	0	3	3	0
	TOTAL	1	3	4	0

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

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

5. TREASURY COMMITTEE (VOLUNTARY)

Composition of the Committee

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

The Committee consists of the following members:

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

6. General Body Meetings

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

Financial Year ended	Date	Time	Venue	Details of Special Resolutions
31 st March, 2009	29-09-2009	10.00 a.m.	The Acres Club, Hemu Kalani Marg, Chembur, Mumbai-400 071	1. Re-appointment and fixation of remuneration of Dr. Jimmy Mirchandani, Chairman & Managing Director and Dr. Rahul Mirchandani, Executive Director for a period of 3 years w.e.f. 01.10.2009. 2. Amendment in the terms of the deployment of the IPO Funds referred to in the Prospectus dated 26 th December, 2007.
31 st March, 2010	17-09-2010	10.00 a.m.	The Acres Club, Hemu Kalani Marg, Chembur, Mumbai-400 071	Amendment of the Objects Clause of the Memorandum of Association of the Company by insertion of a new Clause for Borrowing.

Financial Year ended	Date	Time	Venue	Details of Special Resolutions
31 st March, 2011	29-09-2011	10.00 a.m.	The Chembur Gymkhana, 16 th Road, Chembur, Mumbai-400 071	<ol style="list-style-type: none"> 1. Approval of Appointment and Payment of Remuneration to Mr. Akshay Mirchandani by Step Down Subsidiary M/S Amarak Chemicals FZC, Fujairah, UAE. w.e.f. 30.12.2010 2. Approval of Appointment and Payment of Remuneration to Mr. Akshay Mirchandani by the Subsidiary M/S Golden Harvest Middle East FZC, Sharjah, UAE. w.e.f. 01.04.2011. 3. Approval of Appointment and Remuneration of Mr. Amol Mirchandani by the Company w.e.f. 07.04.2011.

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

7. DISCLOSURES

- (i) During the year under review, besides the transactions reported in Notes to the Accounts of the Annual Report, there were no other Related Party Transactions with the Promoters, Directors and Management that had a potential conflict with the interest of the Company at large.

All the transactions with Related Parties are periodically placed before the Audit Committee. The Register of Contracts detailing transactions in which Directors are interested is placed before the Board at every Meeting for its approval. Transactions with Related Parties, as per requirements of Accounting Standard 18 are disclosed in Note No. 27-B to the Accounts in the Annual Report and they are not in conflict with the interest of the Company at large.

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

Declaration by the Chairman and Managing Director confirming compliance with the Code of Conduct as adopted by the Company is annexed and forms part of the Annual Report.

8. Shareholding of the Non-Executive Directors

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

Name of the Non Executive Directors	Number of Equity Share (Pre-Issue)
Dr. D. S. Jadhav	1,050
Prof. R. S. S. Mani	NIL
Mr. Akshay Mirchandani	3,61,875
Mr. C. B. Chhaya	NIL

9. MEANS OF COMMUNICATION

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

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

10. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

Attention of Members is drawn to the disclosures of transactions with the Related Parties set out in Note No. 27-B in the Notes to Accounts forming part of the Annual Report.

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

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

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

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

12. General Shareholders Information

(i) Annual General Meeting

The 42nd Annual General Meeting of the Shareholders will be held on Friday, 28th September, 2012 at 10.00 a.m.

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

(ii) Financial Calendar:-

For the year ending 31st March, 2013 the Financial Results will be announced on:

First Quarter : On or before 14th August, 2012

Half year : On or before 14th November, 2012

Third Quarter : On or before 14th February, 2013

Yearly : On or before 30th May, 2013

(iii) Date of Book Closure: - Saturday, 22nd September, 2012 to Friday, 28th September, 2012 (both days inclusive)

(iv) Dividend, if any, declared by the Members in the ensuing Annual General Meeting will be paid on 23rd October, 2012.

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

(vi) ISIN NO. : INE298I01015

Scrip Code : BSE - 532935

NSE - ARIES

(vii) **Listing Fee** : The Listing Fee for the financial year 2012-2013 has been paid to the above Stock Exchanges.

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

Monthly Share Price Data of the Company's shares on BSE for the year ended 31st March, 2012

Month	Highest		Lowest	
	Rate (Rs.)	Date	Rate (Rs.)	Date
April, 2011	136.00	13.04.2011	118.30	01.04.2011
May, 2011	129.45	13.05.2011	100.20	26.05.2011
June, 2011	118.80	10.06.2011	98.45	22.06.2011
July, 2011	121.00	18.07.2011 19.07.2011	101.60	12.07.2011
August, 2011	114.00	01.08.2011	77.20	24.08.2011
September, 2011	113.60	22.09.2011	82.10	12.09.2011
October, 2011	94.85	31.10.2011	83.60	25.10.2011
November, 2011	98.00	04.11.2011	73.05	23.11.2011 24.11.2011
December, 2011	83.75	09.12.2011	62.05	30.12.2011
January, 2012	84.60	27.01.2012 31.01.2012	64.00	02.01.2012
February, 2012	104.95	15.02.2012	77.00	02.02.2012
March, 2012	87.20	15.03.2012	74.55	28.03.2012

Monthly Share Price Data of the Company's shares on NSE for the year ended 31st March, 2012

Month	Highest		Lowest	
	Rate (Rs.)	Date	Rate (Rs.)	Date
April, 2011	135.90	15.04.2011	117.60	26.04.2011
May, 2011	125.00	12.05.2011	100.50	25.05.2011
June, 2011	118.75	10.06.2011	98.50	28.06.2011
July, 2011	121.40	19.07.2011	101.10	13.07.2011
August, 2011	116.40	04.08.2011	75.60	24.08.2011
September, 2011	113.70	22.09.2011	81.05	12.09.2011
October, 2011	95.15	17.10.2011	83.00	25.10.2011
November, 2011	96.50	09.11.2011	71.15	24.11.2011
December, 2011	83.50	09.12.2011	64.20	30.12.2011
January, 2012	85.20	27.01.2012	63.00	02.01.2012
February, 2012	102.05	15.02.2012	76.35	02.02.2012
March, 2012	85.85	14.03.2012	74.00	30.03.2012

(ix) Performance in comparison to BSE & NSE Sensex

Historic Graph



Historic Graph

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

1-2-285 Domalguda,

Hyderabad – 500029

Tel: 040 27638111 / 27634445 / 27642217 / 66611921

Fax: 040 27632184

Email: info@arthiconsultants.com

(xi) Share Transfer System

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

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

(xii) (1) Distribution of Share Holding as on 31st March 2012

Shareholding of Nominal Value		Shareholders			Share Amount	
From	To	Number	No of Shares	% of Total	Rupees	% of Total
1	5000	7623	873404	85.20	8734040	6.72
5001	10000	764	553171	8.54	5531710	4.25
10001	20000	276	409051	3.09	4090510	3.15
20001	30000	98	248383	1.10	2483830	1.91
30001	40000	46	162819	0.51	1628190	1.25
40001	50000	41	192109	0.46	1921090	1.48
50001	100000	45	347427	0.50	3474270	2.67
100001	And above	54	1021795	0.60	10217950	78.57
TOTAL		8947	13004339	100.00	130043390	100.00

(2) **Distribution of shareholding according to categories of shareholders as on 31st March, 2012**

Categories	No. of Shares	Amt. in Rs.	% to Total
Promoters	6857926	68579260	52.74
Directors (Independent)	1050	10500	0.01
Financial Institutions/ Banks	--	--	--
Mutual Funds / UTI	1185560	11855600	9.11
NRIs / OCBs/FIIs	459866	4598660	3.54
Other Bodies Corporate	1127714	11277140	8.67
Public	3372223	33722230	25.93
Total	13004339	130043390	100.00

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

Sr. No.	Name of the Companies	Shareholding as on 31.03.2012
1.	Sreeni Agro Chemicals Pvt. Ltd.	NIL
2.	Aries Marketing Ltd.	NIL
3.	Blossoms International Ltd.	NIL
4.	Aries East-West Nutrients Pvt. Ltd.	NIL

Subsidiary Companies

A list of Subsidiary Companies is given in Note No. 27-A of the Notes to Accounts forming part of the Annual Report.

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

(xiii) **Details of Demat Shares as on 31st March, 2012**

Name of Depository	No. of Shareholders	No. of Shares	% of Capital
NSDL	6045	11542009	88.76
CDSL	2719	1117239	8.59
Sub-Total	8764	12659248	97.35
Physical Mode	183	345091	2.65
Grand Total	8947	13004339	100.00

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

(xv) **Plant Location: -**

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

(xvi) Address for Correspondence:

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

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

- ii) For grievance redress and any query

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

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

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

To the Members of Aries Agro Limited

We have examined the compliance of the conditions of Corporate Governance by Aries Agro Limited for the year ended 31st March, 2012, as stipulated in clause 49 of the Listing Agreements of the said Company with Stock Exchanges in India.

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

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

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

For **Kirti D. Shah & Associates**
Chartered Accountants

Kirti D. Shah
Proprietor
Membership No. 32371

Mumbai
Date: 14/08/2012

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

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

Dr. Jimmy Mirchandani
Chairman & Managing Director

Date: 14/08/2012

MANAGING DIRECTOR(MD) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION.

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Aries Agro Limited ("The Company") to the best of our knowledge and belief certify that :

- (a) We have reviewed the financial statements and the cash flow statement for the year ended on 31st March, 2012 and based on our knowledge and belief we state that :-
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading.
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct. We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- (c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
 - i. There have been no significant changes in the internal controls over financial reporting during the year.
 - ii. There have been no significant changes in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii. There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Dr. Jimmy Mirchandani
Chairman & Managing Director

S. Ramamurthy
Chief Financial Officer

Mumbai
14th August, 2012

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

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

More Environmentally Sensitive Products

To demonstrate the commitment to preserve the environment, Aries now packs its flagship brands in water soluble packaging. **The single spray tank dose packs are packed in packaging that self dissolves in water, a first in the plant nutrition industry in India.** This significantly reduces the use of aluminum foil and plastics.

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 Warangal and Mumbai campuses from June 2012 onwards.

The objective of Aries and ITM Trust is to develop a cadre of well trained professional Managers for the Agribusiness sector through the design and delivery of a high quality course of study. The Program is unique in its design and has customized curriculum developed by Aries incorporating training in vernacular languages, courses on Indian agribusiness histories, Indian culture and traditions, the science of Commercial Agriculture and even a 'living laboratory' project through which students will adopt a parcel of land from local farmers, implement productivity enhancement techniques and document demonstrated agro-economic advantages of Indian Good Agricultural practices.

ITM Business School's radically redesigned PGDM iConnect Program, which incorporates immersive 6-month industry internships, along with innovative course methodologies and projects, will further add to the uniqueness of the Agri-Business specialization. Aries will be working closely with ITM Business School, from the selection of candidates to the program and faculty development, to the delivery of the curriculum and placement of graduates within Aries as well as other major companies in the sector.

Spreading Knowledge:

Aries continues to strongly support activities of the Confederation of the Indian Industry's Young Indian Farmer Network. **Over 660 knowledge dissemination activities were undertaken during the year under review impacting 34,550 farmers**

Aries organized two national level conferences UNICONNECT and AGROMAX at Thanjavur and Coimbatore respectively. The unique feature of these events have been that they had participation on a common intellectual platform from top government officials, opinion leaders, thought leaders from industry and academia, research scholars, scientists, agribusiness students and farmers from across India.

The conference focused on highlighting why farm productivity suffers due to poorly coordinated crop management practices, specifically imbalanced crop nutrition, overuse of crop protection chemicals, use of unsafe chemicals harming farm ecosystems, poor choice of seeds, amongst others.

It also included technical presentations that documented benefits due to using Good Agricultural Practices (GAP), along with cost benefit studies. The audience included distinguished scientists, State and Central Government officials from the Agriculture Ministry, Industry leaders and **1200 progressive farmers**. These events began a sustained, nationwide intellectual discussion on this most important subject, Increasing Agricultural Productivity.

Extension Activities / Farmer Training / Farmer Study Tours

This year Aries also identified environmentally sustainable practices that will minimize the impact of using modern agri technologies and also understand the changes required to deal with climate change imperatives. This year we worked towards influencing the ecosystem of rural knowledge creation, advocacy for good agricultural practices and improving Indian harvests. These practices are key to improving the wealth creation in rural communities. The activities were aimed at increasing the exposure of young progressive farmers in innovation of world-class crop management techniques, which has proven cost benefit advantages. This was achieved by experiential sharing with researchers, agricultural universities, government extension officers and agricultural students and peer groups of farmers in neighbouring areas.

The following activities were carried out during the year, which shows the scale of work and the depth of method in key focus areas.

1. **Integrated Nutrient Management:** The farmers were trained on the balanced use of major, secondary and micro-nutrients along with organic and biological nutrition sources.
2. **Crop Management Technologies:** This is a holistic programme that covers all aspects from soil preparation, seed selection, choice of agricultural inputs, farm labour management, harvesting techniques and agri output marketing methods. Farmers involved in this session meet experts in these various fields for extremely interesting interactive session.
3. **Post-Harvest Management:** Wastage of agricultural output post-harvest in transit and storage is a matter of serious concern. The usage of more effective techniques to ensure loss of output in storage and transit is an essential part of awareness building.

Soil Testing Services

The Company has organized during the year soil testing camps in 18 states using Mobile Soil Testing Kits which analyse 7 parameters including pH, EC, NPK levels in soil, micro nutrient levels including Zinc, Ferrous, Boron, Organic Carbon, etc. Approximately 30,000 Soil Health Cards were issued to farmers in 11 States providing an additional service in order that they understand the specific nutrient needs of their farms.

Display Contest

Aries organized a Display Merchandising Contest in **10 States** and about **2000 Dealers & Retailers** participated by displaying the Aries range of products at their shop counters. The Best Display was judged and awarded prizes. This improved Point of Purchase recall and counters the creative skills of the dealers.

Influencer Relations

During the year the Company was represented at various industry bodies including Confederation of Indian Industry's Agricultural Council, Confederation of Indian Industry's Innovation Council, Indian Micro-Fertilizers Manufacturers Association (IMMA) and Fertilizer Association of India (FAI). At these forums, the Company advocated that balanced plant nutrition being recognized as a national imperative. It has also conducted various sessions with key influencers to promote the systematic spread of world class farmers' education and skilling programmes. The Company believes that the spread of knowledge is an essential part of its responsibility towards society development and nation building.

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