



F.BSE/QPA/7663  
30<sup>th</sup> September, 2015

Listing Department  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai-400 001

Fax No. 2272 2061/41/39/37

Ref: Scrip Code- 532935

Sub: Chairman's Speech at the Annual General Meeting held on 30.09.2015

Dear Sir,

Enclosed herewith please find a copy of the Chairman's Speech delivered at the 45<sup>th</sup> Annual General Meeting of the Company held on Wednesday, 30<sup>th</sup> September, 2015.

Kindly take the same on your records.

Thanking You,

Yours faithfully,  
For **ARIES AGRO LIMITED**

A handwritten signature in blue ink, appearing to read 'Kaizer P. Ansari'.



**KAISER P. ANSARI**  
**COMPANY SECRETARY & COMPLIANCE OFFICER**

AN ISO 9001 COMPANY : Quality Management System: ISO 9001: 2008 Certified

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## CHAIRMAN'S SPEECH

Good morning and welcome to the 45<sup>th</sup> Annual General Meeting of your Company.

I take this opportunity to thank you all for making it convenient to attend this meeting.

The Annual Report, including the Audited Accounts of the Company for the year ended March 31, 2015 has been with you for sometime. With your consent, I shall take it as read.

### Let me now review your Company's performance in 2014-15:

The year under review 2014-15 in this Report was characterized by an extremely erratic season with delay in onset of monsoon by almost 1-1½ months as a result of which, the Kharif season was inordinately delayed. Later, the Kharif crop did improve, however unseasonal rains at the end of the season affected the harvest and crop quality. The Rabi season was once again expected to be good, however despite availability of water, the widespread cold wave and extended winter, frost and hailstorm which spread throughout the winter and spring months, caused significant decline in Rabi sales in comparison with the plans. Despite this, the Company managed to retain its sales turnover.

### GLOBAL BUSINESS

International sales have commenced in Brazil, Taiwan, Vietnam, Sri Lanka, Pakistan, Australia, Ecuador, New Zealand, Singapore, UK, Trinidad and Zambia, with supplies from Indian and UAE factories. Distributors have been appointed in Brazil, Vietnam, Cambodia, Sri Lanka, New Zealand, and Ecuador and we expect export and global sales to grow and form around one third of the group revenues of the Company in the coming years.

### COST MANAGEMENT

Financial year 2014-15 was characterized by relatively stable cost structures. Even the cost of fuel, USD and interest rates either remained stable or slightly declined, however the cost of operations increased as a percentage due to fixed costs since sales did not grow as expected. Demand in the market was not as buoyant due to two consecutive bad seasons.

One of the major increase in cost was on account of marketing and sales promotion expenses which were considered essential to retain market share.

Aries has always recognized that its business is working capital intensive. With the objective of reducing working capital load, the Company has reduced number of brands and number of Stock Keeping Units (SKU). Sales depots were asked to maintain inventory of only the brands that provide them with 80% of their total turnover with the balance 20% being supplied on a need only basis.

### OVERSEAS SOURCING

Aries has sourced 32% of its total raw materials from overseas suppliers located in China, Israel, Turkey, U.A.E., U.S.A, U.K., Belgium, Chile and South Africa. Imports constitute 35% of our total purchases and our Company has identified a pool of reliable overseas suppliers.

### CAPACITY UTILIZATION

The total capacity utilization currently stands at 51% of the total installed capacity of 84,600 MT p.a. in India. Our international manufacturing facilities at UAE have also maintained the capacity utilization of 39% of the total installed capacity overseas.

### RECOGNITION

For the fourth 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. We were also awarded the 'Innovative 100 – Certificate of excellence' in recognition of smart innovation by 9.9 Media & Inc. India for two consecutive years.

Our Executive Director was awarded the "Inc India Certificate of Excellence" for being ranked amongst 30 most Innovative Indian CEOs for the year 2014.

It is noteworthy that for ten consecutive years Aries quality management system has been audited and certified as NS-EN ISO 9001:2008 with zero non-compliance report.

#### **CORPORATE SOCIAL RESPONSIBILITY :**

The Company has set up Farmer's Call Centre at its Vijayawada branch. They collect soil testing data and answer farmer queries in order to provide a direct connect with Aries consumers.

During the year under review 2401 knowledge dissemination activities including farmers meetings were undertaken impacting 47385 number of farmers. These sessions were conducted by team of 48 extension officials spread across 17 states.

1844 Soil Health Cards were issued to farmers providing an additional service in order that they understand the specific nutrient needs of their farms.

Aries was the first respondents to the relief work after the Kashmir floods. The staff contributed upto a day of salary and provided relief material including Rice, Water Purifying tablets, Vaccines, Chlorine tablets, Mask, Gloves, etc.

A series of activities were conducted in Andhra Pradesh under the Swach Bharat Mission including Child and Police Project School - Guntur, Construction of Girls washrooms in upper primary schools in Andhra Pradesh and supplying new tables and water purifying system to rural schools in Warangal district.

#### **OUTLOOK FOR 2014-15**

The 2015 monsoons commenced on schedule and June rainfall was 20% above normal. However, July and August rains were severely restricted in all parts of the country except in the eastern region where there were severe floods. The rainfall situation in the Kharif season was highly unpredictable and most forecasts showed a drought year for agriculture. Consequently, first half demand has been lower than expected and the reservoir conditions will be monitored by us continuously to assess the Rabi season outlook. We shall also launch 3 new products during the current financial year in plant nutrition segment.

#### **ACKNOWLEDGEMENT**

Your Company's new initiatives could not have come about without the active involvement and support of its staff members. Our staff is aware of the challenges and has fully embraced the Company's principles. The customers have been extending their patronage and we are confident of their support for the coming year also. The Board of Directors places on record its appreciation for continued support and guidance received from the Government of India, RBI, SEBI, other Regulatory Authorities, various Financial Institutions, Banks and correspondents in India and abroad.

To round off, I would like to thank the Shareholders once again for their large turnout and for their interest in the Company.

I would also 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.

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