



F.BSE/QPA/8871  
30<sup>th</sup> September, 2016

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 30.09.2016

Dear Sir,

Enclosed herewith please find a copy of the Chairman's Speech delivered at the 46<sup>th</sup> Annual General Meeting of the Company held on Friday, 30<sup>th</sup> September, 2016.

Kindly take the same on your records.

Thanking You,

Yours faithfully,  
For **ARIES AGRO LIMITED**

A handwritten signature in blue ink, appearing to read "Qaiser P. Ansari".



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

Encl: a/a

## CHAIRMAN'S SPEECH

Good morning and welcome to the 46<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, 2016 has been with you for sometime. With your consent, I shall take it as read.

### Let me now review your Company's performance in 2015-16:

During the year under review 2015-16, the agricultural input sector was adversely affected by deficient monsoon across the entire country and flood situation in few areas. Out of the 36 Meteorological subdivisions, 18 have seen deficient rains for two consecutive years. Back to back crop failures worsened the distress in the agricultural input sector leading to lack of adequate demand in both Kharif and Rabi season. The fall in purchasing power and cash flow at the farm level also caused pressure on recovery of market outstandings during the entire year. The highly seasonal nature of the industry showed its impact during the year. Despite these efforts, the Company's revenue remained almost flat.

### GLOBAL BUSINESS

International sales have commenced in 14 Countries with supplies from Indian and UAE factories. Distributors have been appointed in Brazil, Cambodia, Ecuador, New Zealand, Sri Lanka and Vietnam, and we expect export and global sales to grow and form around 15% of the group revenues of the Company by Financial Year 2016-17

### COST MANAGEMENT

The year 2015-16 was characterized by heavily pressured cost structure. Though material cost remained stable, there was an increase in finance cost and fixed cost of the employee benefits remained unchanged. Another cause of concern was the loss on account of foreign currency exchange rate fluctuations.

### CAPACITY UTILIZATION

The total capacity utilization currently stands at 49% 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 36% of the total installed capacity overseas.

### RECOGNITION

For eleven consecutive years Aries Quality Management System was audited and certified as NS-EN ISO 9001:2008 with zero non-compliance report showing complete adherence to international quality standards.

### CORPORATE SOCIAL RESPONSIBILITY :

Aries continues its tradition of carrying out a range of activities that spread knowledge and adoption of farming best practices in the markets that Aries functions in.





The Company undertook several activities focused specifically on supporting school aged girls across India. We supplied benches for classrooms and water purification systems, distributed beds and pillows for tribal students and supported the physically handicapped students.

During the year under review, 3578 number of farmers called the call center at Vijayawada with queries on integrated nutrient management, pest management, soil health and post harvest management.

During the year under review, 5889 knowledge dissemination activities including farmers meetings were undertaken impacting 68008 numbers of farmers. These sessions were conducted by team of 58 extension officials spread across 20 states.

Approximately 1959 Soil Health Cards were issued to farmers providing an additional service in order that they understand the specific nutrient needs of their farms.

Aries also participated in the Swach Bharat Mission at the Child and Police Project School, Guntur and Constructed toilets for women and kids under the Women & Kid Toilet Project.

### **OUTLOOK FOR 2016-17**

The Company (for the first time in agri business in India) conducted All India Flash Sale and Booking Bazaar on 19th and 20th April, 2016 at the Bombay Stock Exchange, Convention Hall, Mumbai. Record breaking orders with payment instruments were collected totaling to Rs. 201.78 Crores within a 30 minute Flash Sale period. This ensured a good robust start to our Kharif Season and will help achieve healthy growth in 2016-17.

The Company will also introduce two new products namely K-phonic and Mobomin during the current Financial Year.

### **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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