

F.BSE/QPA/0489  
28<sup>th</sup> September, 2017

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 28.09.2017

Dear Sir,

Enclosed herewith please find a copy of the Chairman's Speech delivered at the 47<sup>th</sup> Annual General Meeting of the Company held on Thursday, 28<sup>th</sup> September, 2017.

Kindly take the same on your records.

Thanking You,

Yours faithfully,  
For **ARIES AGRO LIMITED**



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

Encl: a/a

## CHAIRMAN'S SPEECH

Good morning and welcome to the 47<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, 2017 has been with you for sometime. With your consent, I shall take it as read.

### Let me now review your Company's performance in 2016-17:

During the year under review 2016-17, the monsoons recorded All India average of 97% of the LPA (Long Period Average). The Kharif rainfall was as per expectation. However, the winter rains especially in South India were extremely deficient. The second half was also affected by demonetization which restricted sales and collections for almost three months before conditions improved towards the end of the fourth quarter. Stress on the rural economy post demonetization required the Company to provide extra schemes to ensure continued funds inflow during the second half of the year.

Financial Year 2016-17 registered a good Kharif with 25.70 % growth in HI and a subdued Rabi with growth of 11.37 % in revenue. Strong cost control measures were put in place and hence profitability (PAT) increased by 85.15 % compared to the previous year.

The credit for increase in revenue is also attributed to the success of the Company's first ever flash sale conducted on 20<sup>th</sup> April 2016 which resulted in an order book being created in the beginning of the Financial Year. 75.83% of the order book was converted during the Financial year. Orders received during the Flash Sale caused better working capital management.

The Company introduced five new products namely Mobomin, Crackguard, Boon-o-Milk, Tracemin and K-phonic

### GLOBAL BUSINESS

International clients are located in Bangladesh, Ghana, Kenya, Nepal, Vietnam and Taiwan. Distributors in Nepal and Vietnam have invested in branding and promotion of our range of products in their respective countries. Exports constituted 12.50 % of our group revenue during the Financial Year 2016-17

### CAPACITY UTILIZATION

The total capacity utilization currently stands at 58% of the total installed capacity of 84,600 MT p.a. in India. During the year we took a decision to close the operations in one of our international manufacturing facilities at UAE namely Golden Harvest Middle East FZC and sell the machinery which was eight years old and purchase identical set of new machinery in India for installation at Hyderabad and Chhatral manufacturing units. This was required in the context of changed import duty structures which has made manufacturing in India most viable and cheaper.

### ADVOCACY

Aries was selected amongst 20 Agri Sector Companies to present a set of Policy recommendations to the Prime Minister and Council of Ministers at the Niti Aayog "Champions of Change" conference. Aries has provided several inputs to help double farmers' income by 2022 as part of the 5 year change agenda being championed by the Government. This includes making balanced crop nutrition using secondary and micronutrients as a National Imperative, creation of Indian good agricultural practices (In-GAP), creating a professional cadre of agricultural extension officers, develop a market for Indian super foods etc. Subsequent to this, task force has been set up to provide action items and implementation plans to the various Ministers including Minister of Agriculture and State Governments. The Company shall continuously champion this effort on behalf of the plant nutrition industry.

Subsequent to this, an interaction was also held with the Chief Minister of Uttar Pradesh, where policy recommendations were discussed and a State Level Task Force along with the Confederation of Indian Industry National Council, where Aries also plays a role, was constituted.

### RECOGNITION

Aries has also applied for R&D recognition and presentations have been made to the DSIR (Dept. of Scientific and Industrial Research) to highlight specific contribution of R&D activities conducted by the company in the past few years.



Aries was selected for being amongst the top 100 SMEs in India and was conferred the Skoch Order of Merit – 2017

We were also awarded the National Record by Limca Book of Records for the largest Flash Sale of specialty plant nutrition products conducted during April 2016 at Bombay Stock Exchange, International Convention Center, Mumbai.

Aries was awarded the highest independent honour in India, the Skoch Gold Award 2017 for our consistent work serving Indian farmers.

For Twelve 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.

During the year under review over 5000 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 almost 6,000 knowledge dissemination activities including farmers meeting were undertaken impacting over 70,000 number of farmers. These sessions were conducted by team of 71 extension officials spread across 20 states.

The Company also organized soil testing camps in 3 major consuming states using Mobile Soil Testing Kits.

#### **OUTLOOK FOR 2017-18**

2017 monsoons are expected to be 98% of normal and the Company is hopeful that it will achieve good growth in revenues and profitability. A series of dealers meetings and booking bazaars were conducted during April 2017 and orders with payment instruments totaling to Rs. 305.88 Crores are in hand with bookings made by 1250 number of dealers. Other major focus areas for the year ahead include Increase penetration in Acquaculture, a non monsoon dependant sector, increase in exports in Asian Region after receiving Export License and launch of slow release granules for some existing soil applied products

Through its products and passion, Aries continually demonstrates that it is a responsible corporate citizen, working hard to retain the delicate balance of nature and the development of communities where it works and grows.

The Company is introducing 7 new products in the plant nutrition sector. Three products have already been launched in August and remaining will be launched by October, 2017 which will support growth in the top line and bottom line.

The current year will also see an increased focus on digitization of various processes including provision of digital wallet to customers, digitizing the sales process and enabling seamless delivery of information to farmers using online platforms.

#### **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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