



F.BSE/QPA/1394
28th September, 2018

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

Ref: **Scrip Code- 532935**

Sub: **Chairman's Speech at the Annual General Meeting held on 28.09.2018**

Dear Sir,

Enclosed herewith please find a copy of the Chairman's Speech delivered at the 48th Annual General Meeting of the Company held on Friday, 28th September, 2018.

Kindly take the same on your records.

Thanking You,

Yours faithfully,
For **ARIES AGRO LIMITED**

QAISER P. ANSARI
COMPANY SECRETARY & COMPLIANCE OFFICER

Encl: as above

CHAIRMAN'S SPEECH

Good morning and welcome to the 48th 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, 2018 has been with you for sometime. With your consent, I shall take it as read.

Let me now review your Company's performance in 2017-18:

During the year under review 2017-18, the monsoon recorded below normal rainfall to the tune of 95% of the LPA (Long Period Average). Tremendously erratic weather conditions led to the Company needing to continuously modify and align sales strategies to ensure growth in all regions. With these efforts the company managed to increase its revenue (gross) by 15.40 % from Rs.277/- to Rs.320/- Crores. On a consolidated basis, international sales were limited due to suspension of manufacturing in UAE facilities and installation of like manufacturing capacities in India

As this year marks 10 years since our IPO, we are pleased to have shown a healthy growth in our revenues of 28% Year on Year over the 10 years period.

CAPACITY UTILIZATION

The total capacity utilization currently stands at 61% of the total installed capacity of 95,400 MT p.a. in India. During the year under review with the expanded manufacturing capacity in Hyderabad and Chhatral facilities due to reinstallation of similar machineries like the UAE units, the import substitution led to a significant improvement in manufacturing cost efficiency

COST CONTROL

Cost control measures strengthened along with continued focus on domestic manufacturing increase in profitability (PAT) by 19.47%. On a consolidated basis despite the restructuring of international operations consolidated P&L showed an increase of 48.48% in PAT in comparison with the previous Financial Year. Import substitution and focus on domestic procurement has also been one of the key strategies for cost control. Raw material imports reduced as a percentage from 52% to 25% of our total raw material purchases for the Financial Year.

GLOBAL BUSINESS

International clients have restarted buying from India and are located in Bangladesh, Nepal, Vietnam & Taiwan. The total exports and global sales constituted 8.89% of our group revenue during the Financial Year 2017-18.

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 activities focused specifically on supporting education across India by constructing washrooms and water tanks, supplied benches, carried out repairs on school building, provided educational kits, ROs and also computers. The Company also provided fees and scholarships to students in addition to series of awards to meritorious students.

The Company's Call Centre based in Vijayawada continued to provide answers to farmers' queries on integrated nutrient management, pest management, soil health and post harvest management. During the year under review 13,351 knowledge dissemination activities including farmers meeting were undertaken impacting 91,800 number of farmers. These sessions were conducted by team of 138 extension officials spread across 26 states.

Farmers' meeting and training programmes on good agricultural practices were conducted in almost all States across India. The Company also organized soil testing camps in 3 major consuming states using Mobile Soil Testing Kits.

PROMOTING DIVERSITY:

We actively promote an equal opportunity work place across the Company. At three of our locations, we have been successful in creating a gender balanced workforce with 36 % of women at our Corporate Headquarters in Mumbai, 40% of women at our Hyderabad factory and 32% of women at our Chhatral Unit. We will continue to strive to create such work place diversity at all our locations.

RECOGNITION

Aries was awarded with an appreciation Certificate for excellence in "Sustainable Environmental Initiatives" by the Bombay Chamber of Commerce & Industry. For Thirteen consecutive years Aries Quality Management System was audited and certified as NS-EN ISO 9001:2015 with zero non-compliance report showing complete adherence to international quality standards

OUTLOOK FOR 2018-19

2018 monsoons are expected to be normal and the Company is hopeful of achieving good growth in revenues and profitability. The Company conducted its digital flash sale first time this year with "App only" bookings leading to participation of 1400 Nos. of dealers/distributors from all states with a total booking of Rs.398/-crores for 2018-19. This marks the introduction of successful digital sales promotion techniques by the Company. We have also launched nine products in specially designed aquaculture branding and have received zero residue certification from the Coastal Aquaculture Authority recently. Rabi booking bazaars have also been scheduled to permit top up of orders by select customers.

The urban farming facility using hydroponics also became fully operational during the current year with two harvests being successfully undertaken for a variety of crops including varieties of Basil, Pokchoi, Cherry Tomatoes, Lettuce, Coloured Capsicum and Micro Greens. The R&D team also created specially designed nutrition solutions for soil free farming and this have been used in our own research facilities as well as in some commercial hydroponic farms.

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.

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.

Before I conclude, I would like to thank the Shareholders once again for today's 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.

