



F. NSE/QPA/0199
7th June, 2017

Listing Department
National Stock Exchange of India Ltd.
'Exchange Plaza'
Bandra Kurla Complex,
Bandra (East)
Mumbai – 400 051.

Ref: **Scrip Code: ARIES**

Dear Sir,

This is to inform that on a con-call with select Analysts and Investors, we shared the following information:

- 1) Given the Met Department's Estimate of Monsoon to be 96 – 98% in FY 2017-18, we should register a top line revenue of Rs.300 to 305 Crores (gross of discount).
- 2) We wish to emphasize the fact that as against Standalone guidance of Rs.275 Crores, we have achieved Rs.277.19 Crores in FY 2016-17.
- 3) PAT margins have gone up to 4% in FY 2016-17 and we expect to maintain PAT margin of 5 - 6% going forward.
- 4) The current debt (both funded and non-funded) stands at Rs.177.58 Crores, which percentage to turnover is 64%. There will be an attempt to not add to debt, unless necessary.
- 5) The total revenue for FY 17-18 is expected to be Rs.305 Crores (gross of discount) with EBITDA at 18% and PAT at 5%.
- 6) The annual booking bazaar led to an order book of Rs.305.88 Crores and we expect conversion of 75%.(Similar to the conversion after 2016-17 Flash Sales).
- 7) The Company is introducing 8 new products in the micronutrient space which will add value to the Company's top line.
- 8) We will not be having any flash sales covering the entire range of products this Financial year as many dealers & distributors (almost 1250 dealers /distributors against 900 dealers/distributors last year) have attended the region wise flash sales conducted in April and May of this Financial year.

However, we may have booking bazaars during product launches or specific campaigns at appropriate times. We have been focusing more on foliar applied products rather than soil applications in the past. In order to strengthen our position in the soil application space, a set of new products will be introduced. We are also introducing anti toxin product which is a unique product to be launched in India. We are looking forward to launch of these products nationwide when the season is at its peak.

- 9) There will be no additional discounts this year over and above those of last year.



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

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- 10) On the basis of the information till date on GST, it looks beneficial for our industry as there is probability of reduction in the effective Indirect Taxes rate. However it is very early to say this till all rules are clear.
- 11) The farmers agitation in Maharashtra and Madhya Pradesh, Water scarcity in Tamil Nadu, etc are concerns but we are looking forward to the Government's intervention and are preparing strategies that will help our Company grow, despite these concerns.
- 12) The El Nino is projected in September by which time the Kharif sales are over and hence will not impact the first half sales.
- 13) Temporary cost pressure exists on 2 – 3 raw materials due to Export duties imposed by China. This is hopefully a short term phenomenon.
- 14) Aqua culture is a new market and is a non monsoon dependant sector. Last year we had sales of around 12 Crores in Andhra Pradesh, West Bengal and Chattisgarh in this sector. We are looking forward to a wider penetration this year. It is noteworthy that existing agri products are being positioned for aquaculture.
- 15) The market was stressed because of lack of cash flow due to demonetization. However the cash flow has improved recently, but pressure in rural areas has not completely dissipated.
- 16) There has been growing competition since the last few years and is good for the sector. The price pressure is there in the water soluble NPK segment.
- 17) We are in the final stages of obtaining an Export License and should have it during the second half of the year. This will help us to cater to the neighbouring overseas markets.

This is for your information.

Thanking You,

Yours faithfully,

For **ARIES AGRO LIMITED**



Kaiser P. Ansari
Company Secretary & Compliance Officer

