


Balance Sheet as at
March 31, 2005;
Profit & Loss Account
for the year ended
March 31, 2005
with **Directors' Report**



35th Annual Report

2004-05



Aries Agro-Vet Industries Ltd.

Board of Directors & Senior Management

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Board of Directors

Managing Director
Dr. T.B.Mirchandani
Joint Managing Director
Dr. Jimmy Mirchandani
Executive Director
Mr. Rahul Mirchandani

Director
Dr. S.R. Ganesh

Director
Dr. D.S.Jadhav
Director
Prof. R.S.S. Mani

Senior Management

Vice President
(Finance & Accounts)
Mr. S. Ramamurthy
Manager(Administration)
Mr.B.R.Pandey
Manager (Quality Control)
Ms. Lalita Sanzgiri
Manager (Finance)
Mr. N.E.Moorthy
Manager (Accounts)
Mr. G.Kannan
Manager (Production)
Mr. Biplob Chatterjee
Jr. Manager (Commercial)
Mr. Jitendra Hinduja
Head — Marketing
Operations (West &
Central India)
Mr.P.K.Jaiswal

Marketing Managers

Mr. Y.S. Rao
Mr. Ashok Sharma
Mr. P.M.Subramaniam

Branch Heads

Mr. B. Mohan
Mr.K.R.Padmanabhan
Ms.K.Thulasi
Mr.B.D.Chauhan
Mr.James Joseph

Regional Sales Manager

Mr.Ashok Sharma
Mr. A.K. Tiwari
Mr. A.R. Das
Mr. C.K. Dwivedi
Mr. A.M. Bhatt

Area Sales Managers

Mr. R.K. Gosai
Mr. R.C. Dora
Mr. S.K. Pandey
Mr. B.B. Thakur
Mr. B.N. Samanta

Factory Manager (Hyd)

Mr.D.Ravindranath

Accounts Manager (Hyd)

Mr.Johnson Verghese

Purchase Manager (Blr)

Mr. D.Sreekumar

Auditors

Kirti D Shah and Associates
Kagdy Manzil, 2nd Floor,
119, Perin Nariman Street,
Fort, Mumbai – 400 001.

Bankers

Indian Overseas Bank,
First Road, Chembur,
Mumbai 400 071.

Branch Network

Ahmedabad, Gujarat
Bangalore, Karnataka
Bellary, Karnataka
Bhubaneshwar, Orissa
Coimbatore, Tamil Nadu
Ghaziabad, Uttar Pradesh
Guwahati, Assam
Hyderabad, A.P.
Indore, Madhya Pradesh
Jaipur, Rajasthan
Jalandhar, Punjab
Jodhpur, Rajasthan
Kolkata, West Bengal
Lucknow, Uttar Pradesh
Nagpur, Maharashtra
Nashik, Maharashtra
Nipani, Karnataka
Patna, Bihar
Raipur, Chattisgarh
Ranchi, Jharkhand
Rudrapur, Uttaranchal
Solapur, Maharashtra
Sriganganagar, Rajasthan

Manufacturing Locations

Mumbai Bangalore
Hyderabad Kolkata

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty Fifth Annual General Meeting of the Members of ARIES AGRO-VET INDUSTRIES LIMITED will be held on Wednesday, the 28th December, 2005 at 4.00 p.m. at the Registered office of the company at Aries House, Plot No. 24, Deonar, Govandi (East), Mumbai 400 043 to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance sheet as at 31st March 2005 and profit and loss account for the year ended as on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rahul Mirchandani who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s Kirti D. Shah & Associates, Chartered Accountants, Mumbai, as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED that Dr.S.R. Ganesh who was appointed by the Board as an Additional Director on 1st December, 2005 and holds office up to the date of this Annual General Meeting as per the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company".

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE LODGED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The relevant Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956 in

respect of items no. 4 is annexed hereto.

4. Members are requested to advise the Company immediately of any change in their addresses.
5. Individual shareholders can now take the facility of nomination. The nominee shall be the person in whom all rights of transfer and/or amount payable in respect of shares shall vest in the event of the death of the shareholders(s). A minor can be a nominee provided the name of the guardian is given in the Nomination Form. Members who are interested in availing the nomination facility are requested to write to the Company.

On Behalf of the Board

For ARIES AGRO VET INDUSTRIES LIMITED

Mumbai

(Dr. T. B. Mirchandani)

1st December, 2005 Chairman & Managing Director

EXPLANATORY STATEMENT

(Pursuant to Section 173 (2) of the Companies Act, 1956)

ITEM NO. 4

Dr. S.R. Ganesh, who was appointed by the Board of Directors at their meeting held on 1st December, 2005. Dr. S.R. Ganesh holds office upto the date of this Annual General Meeting as per the provisions of Article No. 112 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956. Dr. S.R. Ganesh holds B.Tech (Mechanical Engineering) from IIT, Bombay and has done his Doctorate in Business Studies from London Business School, U.K. and having experience in the field of Teaching, Research, Consultancy & Academic Administration. His appointment will be in the interest of the Company. Dr.S.R. Ganesh has submitted the DDA form stating that he is not disqualified from being appointed as the Director of the Company.

The Directors recommend this resolution for approval of shareholders.

None of the Directors of the Company is concerned or interested in this resolution, except Dr. S.R. Ganesh.

On Behalf of the Board

For ARIES AGRO VET INDUSTRIES LIMITED

"Certified to be True

and Correct Copy"

(Dr. T. B. Mirchandani)

1st December, 2005 Chairman & Managing Director

Managing Director.

DIRECTORS' REPORT

To
The Members.

Your Directors have pleasure in presenting the 35th Annual Report on the operations of the Company together with the Audited Statements of Accounts for the financial year ended 31st March 2005.

FINANCIAL RESULTS

Amount - Rupees lakhs

| | 2004-2005 | 2003-2004 |
|-------------------|-----------|-----------|
| Turnover | 3,942.98 | 2,728.61 |
| Profit before tax | 150.54 | 48.95 |
| Profit after tax | 80.56 | 19.75 |

FUTURE PROSPECTS

The monsoon though arrived late, has been more than expected, resulting in floods in most of the states. Moreover, the water table has since increased substantially and the company expects reasonably good future seasons in 2005 and 2006.

DIVIDEND

Considering the need for resources for the on going expansion programme of the Company, your Board has formed an opinion that conserving the internal resources is essential for the Company's growth. Therefore in the best interest of the Company and its shareholders, the Board thought fit not to recommend any dividend for the year ended 31st March 2005.

DEPOSITS

The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956.

DIRECTORS

Dr.S.R.Ganesh, eminent management consultant was appointed as an Additional Director at the Board Meeting held on 01st December,2005 to hold office till the ensuing Annual General Meeting and is eligible for appointment.

Mr.Rahul Mirchandani retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offers him for re-appointment.

AUDIT COMMITTEE

The Audit Committee as constituted pursuant to the provisions Section 292A of the Companies Act, 1956 by the Board of Directors met twice during the year under review.

THE COMPANY'S PHILOSOPHY FOR CODE OF CORPORATE GOVERNANCE

Meetings of the Board of Directors was well attended and it is the philosophy of the Company to discuss all the relevant issues thread bare at Board or Audit Committee meetings and thus complying with the spirit of the Corporate Governance.

PARTICULARS OF EMPLOYEES

None of the Employees were in receipt of a remuneration for the year, which in aggregate was more than the limit prescribed under Section 217 (2A) read with the Companies (Particulars of Employees) Rules, 1975 as amended.

AUDITORS

M/s Kirti D. Shah & Associates, the Auditors of the Company retires at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

AUDITORS' REMARKS

As regards compliance with the Accounting Standard 15 in respect of Retirement benefits, the Company is in the verge of finalizing the appointment of approved institution to administer the gratuity fund for the employees of the Company.

DIRECTORS' RESPONSIBILITY STATEMENTS

Pursuant to the requirements of Section 217 (2AA) of the Companies Act, 1956 with respect to the Directors' responsibility statement, it is hereby confirmed that:

1. In preparation of the Annual Accounts, applicable accounting standards have been followed.
2. The accounting policies are consistently applied and reasonable, prudent judgment and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors had prepared the Annual Accounts on a going concern basis.

INDUSTRIAL RELATIONS

The Company enjoyed harmonious relations with its employees throughout the year.

CONSERVATION OF ENERGY

Particulars in respect of conservation of energy as required under Section 217 (e) of the Companies Act, 1956 read with the Companies {Disclosure of particulars in the report of the Board of Directors} Rules, 1988 and forming a part of the Directors Report are as under: -

Power and Fuel Consumption

| | Current Year 2004-2005 | Previous Year |
|---------------------------|---------------------------|----------------|
| (a) Purchased: - | | |
| (i) Unit (KWH) | 3,99,382 | 2,55,900 |
| (ii) Total Amount (Rs.) | 17,66,943 | 11,52,321 |
| (iii) Rate/Unit (Rs.) | 4.42 | 4.50 |
| (b) Own Generation :- | | |
| (i) Coal | Not Applicable | Not Applicable |
| (ii) Furnace Oil | Not Applicable | Not Applicable |
| (iii) Internal Generation | Not Applicable | Not Applicable |

TECHNOLOGY ABSORPTION

The Management has focused on productivity and total quality Management [TQM] in order to optimize manufacturing costs. This has helped in achieving optimum manufacturing costs, improved quality of products and consequently, enhanced customer satisfaction. The Company uses indigenous technology.

ACKNOWLEDGEMENT

Your Directors have strong perception that corporate edifice is built with the support and co-operation extended by Banks, Local authorities, customers and shareholders of the Company and gratefully acknowledge the same.

Your Directors wish to place on record their appreciation of the contribution made by the employees at all levels for the successful operations of the Company during the year.

For and on behalf of the Board,

Mumbai

(Dr. T. B. Mirchandani)

1st December, 2005

Chairman & Managing Director

**“Certified to be True
and Correct Copy”**

For Aries Agro-Vet Industries Limited

T. B. Mirchandani

Managing Director

AUDITOR'S REPORT

AUDIT REPORT TO THE SHAREHOLDERS OF ARIES AGRO-VET INDUSTRIES LIMITED.

- i. We have audited the attached Balance sheet of ARIES AGRO-VET INDUSTRIES LIMITED, as at 31st March, 2005 and also the annexed Profit & Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are responsibility of the company management. Our responsibility is to express an opinion on these financial statements based on our audit.
- ii. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes
 - (a) examining, on a test basis, evidence to support the financial statement amounts and disclosures in the financial statement
 - (b) assessing the accounting principles used in the preparation of financial statements
 - (c) assessing significant estimates made by the management in the preparation of the financial statements and
 - (d) Evaluating overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion

- iii. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to in paragraph (3) above, we report that:

- a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of the books of the Company;
- c. The Balance Sheet and the Profit and Loss Account referred to in this report are in agreement with the books of account of the Company

- d. In our opinion, the Balance Sheet and Profit & Loss Accounts dealt with by, this report comply with all material respects with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 except as under :

Accounting Standard 15 – Retirement Benefits – as The Company has not provided for gratuity liability of Rs. 1,34,92,465 as valued by actuary.

- e. On the basis of written representations received from the directors, and taken on record by the Board of Directors, in our opinion, none of the directors is disqualified from being appointed as director u/s 274(l)(g) of Companies Act, 1956;
- f. The company is not a sick company within the meaning of section 3(1)(o) of the SICA Act, 1985. Hence there is no question of payment of cess as required under section 441 A of Companies Act;
- g. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit & Loss Account, together with other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India
- i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2005, and
- ii. In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.

For Kirti D. Shah & Associates
Chartered Accountants

KIRTI D SHAH

PROPRIETOR

MEMB. NO. 32371

Kagdy Manzil, 2nd Floor

119, Perin Nariman Street,

Fort, Mumbai-400001

Mumbai

01st December, 2005.

**"Certified to be True
and Correct Copy"**

For Aries Agrovet Industries Limited

[Signature]

Managing Director