

# ANNUAL REPORT 2016-2017



**AURO**  
Laboratories Limited



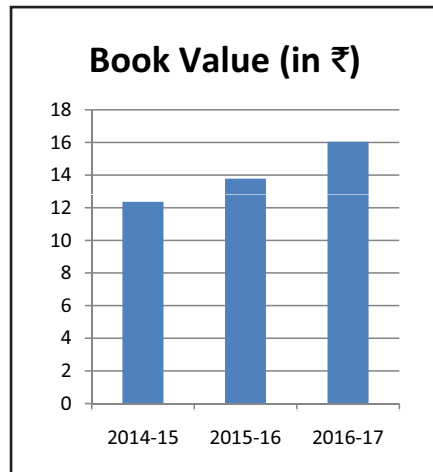
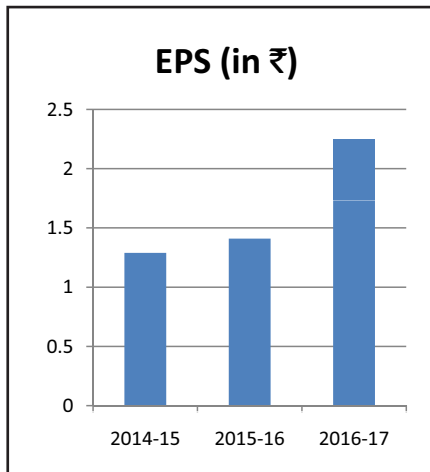
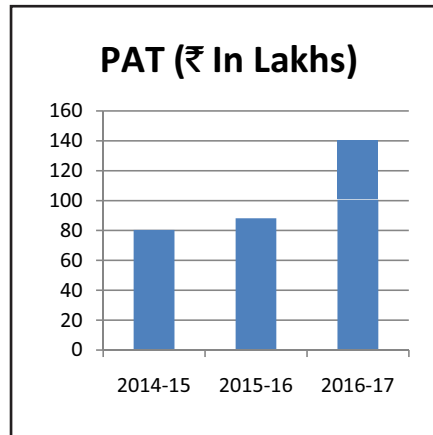
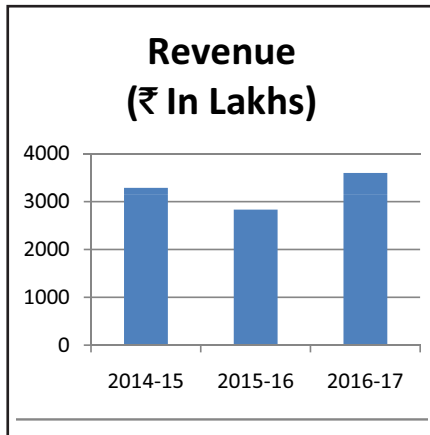
## API PRODUCTS

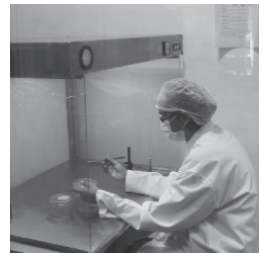
**Metformin Hydrochloride**

**Chlorzoxzone**

**Chlorphenamine Maleate**

### Performance Indicators





Active Pharmaceutical Ingredients

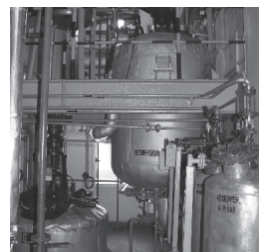
Sustainable Quality

EUGMP

EDQM Inspected

WHO GMP

Global Customers



**AURO LABORATORIES LIMITED**  
**BOARD OF DIRECTORS**

Sharat Deorah	Chairman & Managing Director
Siddhartha Deorah	Whole Time Director
Kailash Chandra Bubna	Director
Govardhandas Aggarwal	Director
Kavita V. Sharma	Director

**AUDIT COMMITTEE**

Kailash Chandra Bubna	Chairman
Govardhandas Aggarwal	Member
Siddhartha Deorah	Member

**COMPANY SECRETARY**

Shanu Patania

**REGISTERED OFFICE & FACTORY**

K-56, M.I.D.C., Industrial Area, Tarapur,  
Boisar, Dist. Thane – 401 506, Maharashtra

**ADMINISTRATIVE OFFICE**

314, 3<sup>rd</sup> Floor, T.V Industrial Estate,  
S.K. Ahire Marg, Worli, Mumbai – 400 030.  
Tel. No. 022-66635456  
Fax No. 022-66635460  
Email: [auro@aurolabs.com](mailto:auro@aurolabs.com)  
Web: [www.aurolabs.com](http://www.aurolabs.com)

**AUDITORS**

M/s Kothari Jain & Associates  
Chartered Accountants

**BANKERS**

Allahabad bank, Fort Branch, Mumbai.

**REGISTRAR & SHARE TRANSFER AGENT**  
**SHAREX DYNAMIC (INDIA) PRIVATE LIMITED**

Unit No. 1, Luthra Industrial Premises, Near Safed Pool,  
Andheri Kurla Road, Andheri (East), Mumbai – 400 072.  
Tel: 022 2851 5644/ 2851 5606  
Email: [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com),  
Web: [www.sharexindia.com](http://www.sharexindia.com)



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## **NOTICE TO THE MEMBERS**

**NOTICE** is hereby given that the 28<sup>th</sup> Annual General Meeting (AGM) of the Members of **AURO LABORATORIES LIMITED** will be held on Friday, September 29, 2017 at 12:30 p.m. at the registered office of the Company situated at K-56, M.I.D.C. Industrial Area, Tarapur, Boisar, Dist. Thane, Maharashtra – 401 506 to transact, with or without modification(s) the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2017, including the audited Balance Sheet as at March 31, 2017, the Statement of Profit and Loss & Cash Flow Statement for the year ended on that date together with Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Siddhartha Deorah, (DIN: 00230796) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors, M/s. Khurdia Jain & Co., Chartered Accountants in place of M/s. Kothari Jain & Associates, Chartered Accountants, who retires at the ensuing Annual General Meeting and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors, M/s. Khurdia Jain & Co., Chartered Accountants, Mumbai (Firm Registration No. 120263W) with the Institute of Chartered Accountants of India) be and are appointed as the Statutory Auditors of the Company in place of M/s. Kothari Jain & Associates, Chartered Accountants, the retiring Auditors, to hold office from the conclusion of the ensuing AGM until the conclusion of the 33<sup>rd</sup> AGM to be held in 2022 (subject to ratification of the appointment by the members at every AGM held after this AGM) at such remuneration as may be agreed upon by the Audit Committee / Board of Directors in consultation with the Statutory Auditors.”

### **SPECIAL BUSINESS:**

4. **APPOINTMENT OF MR. SHARAT DEORAH AS CHAIRMAN & MANAGING DIRECTOR OF THE COMPANY:**

To Consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 196, 197, Schedule V of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded for the re-appointment of Mr. Sharat Deorah (DIN 00230784) as Chairman & Managing Director of the Company for a period of 3 years, w.e.f. April 01, 2017 at a consolidated remuneration not exceeding ₹60,00,000/- per annum as per the terms and conditions tabled before the Board, subject to approval of the shareholders at the ensuing Annual General Meeting.



**FURTHER RESOLVED THAT** the Board be and is hereby authorized to alter and / or vary the terms and conditions of the appointment including remuneration payable to him from time to time, provided however that the remuneration payable shall not exceed the limits specified in Schedule V of the Companies Act, 2013 as existing or as amended, modified or re-enacted from time to time.

**FURTHER RESOLVED THAT** the Board of Directors be and are hereby authorized to take all such steps and do all such acts and deeds as may be necessary to give effect to the above Resolution.

**FURTHER RESOLVED THAT** the Board be and is hereby authorised to fix, alter and vary the terms and conditions of the appointment provided however that the remuneration payable shall not exceed the limits mentioned above and the limits specified in the Schedule V, Part II, Section II read with other applicable provisions, if any, of the Companies Act, 2013, or any amendments thereto or enactments thereof from time to time and further in the event of sufficient profits in any year during the tenure of his appointment to pay maximum permissible remuneration as provided in Section 197 of the Companies Act, 2013.”

**5. APPOINTMENT OF MR. SIDDHARTHA DEORAH AS WHOLE-TIME DIRECTOR OF THE COMPANY:**

To Consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 196, 197, Schedule V of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded for the re-appointment of Mr. Siddhartha Deorah (DIN 00230796) as the Whole-time Director of the Company for a period of 3 (Three) Years w.e.f. April 1, 2017 at a consolidated remuneration not exceeding ₹60,00,000/- per annum as per the terms and conditions tabled before the Board, subject to approval of the shareholders at the ensuing Annual General Meeting.

**FURTHER RESOLVED THAT** the Board be and is hereby authorized to alter and / or vary the terms and conditions of the appointment including remuneration payable to him from time to time, provided however that the remuneration payable shall not exceed the limits specified in Schedule V of the Companies Act, 2013 as existing or as amended, modified or re-enacted from time to time.

**FURTHER RESOLVED THAT** the Board of Directors be and are hereby authorized to take all such steps and do all such acts and deeds as may be necessary to give effect to the above Resolution.

**FURTHER RESOLVED THAT** the Board be and is hereby authorised to fix, alter and vary the terms and conditions of the appointment provided however that the remuneration payable shall not exceed the limits mentioned above and the limits specified in the Schedule V, Part II, Section II read with other applicable provisions, if any, of the Companies Act, 2013, or any amendments thereto or enactments thereof from time to time and further in the event of sufficient profits in any year during the tenure of his appointment to pay maximum permissible remuneration as provided in Section 197 of the Companies Act, 2013.”

**6. TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of section 20 of Companies Act, 2013 and all other applicable provisions, if any, made therein, the consent of the members is hereby accorded for service /

delivery of document(s) to member(s) of the Company by post or by registered post or by speed post or by courier or by delivering at their registered address, or by such electronic or other mode as prescribed / may be prescribed under the Act, from time to time.

**RESOLVED FURTHER THAT** upon request of member(s) for delivery of any document(s) through a particular mode of delivery, the Company do serve / deliver document(s) to such member(s) through that particular mode and / or charge such fees which shall not be more than the amount charged to the Company by the Department of Post or the Service Provider(s) including related handling charges, if any, to deliver the documents in a particular mode and that the fees so charged shall be paid by the member to the Company in ten days advance.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**Registered Office:**  
K-56, M.I.D.C,  
Tarapur Industrial Area,  
Thane – 401 506.  
**Date: May 30, 2017.**

For and on behalf of the Board  
**AURO LABORATORIES LIMITED**

**SHARAT DEORAH**  
**(DIN: 00230784)**  
**CHAIRMAN & MANAGING DIRECTOR**



## **NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The instrument appointing a proxy should however be deposited at the registered office of the company duly completed not less than forty-eight hours before the commencement of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. **The business set out in the Notice may be transacted through electronic voting system and the Company is providing facility for voting by electronic means.** Instructions and other information relating to e-voting are given in this Notice under Note No. 18.
3. The statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
4. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
6. A statement giving the details of the Directors seeking re-appointment, nature of their expertise in specific functional areas, names of the companies in which they hold Directorships, memberships / chairmanships for Board / Committees, shareholding and relationship between Directors inter-se as stipulated in Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements), 2015, are provided in the Annexure.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from **September 23, 2017 to September 29, 2017** (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Annual General Meeting.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar / Company.
9. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meeting so that the requested information can be made available at the time of the meeting.

10. Members / Proxies are requested to please bring their copies of the Annual Report to the meeting.
11. The Company's shares are listed on BSE Limited, Mumbai.
12. Members holding Shares in physical form are requested to notify immediately any change in their address with PIN CODE to the Registrar and Transfer Agent of the Company at the address given below AND in case their shares are held in Demat, this information should be passed on directly to their respective Depository Participants and not to the Company.

**M/S. SHAREX DYNAMIC (INDIA) PVT.LTD.**

**[Unit: Auro Laboratories Limited]**

Unit No.1, Luthra Ind. Premises, Andheri Kurla Road,

Safed Pool, Andheri (East), MUMBAI - 400 072

**Tel: 022 2851 5606 / 2851 5644**

**Email: sharexindia@vsnl.com**

13. Relevant documents referred to in the Notice are open for inspection at the registered office of the Company during office hours on all working days except public holidays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting
14. Members/Proxies holding their Shares in physical mode are requested to fill the enclosed attendance slip and handover the same at the entrance with signature. In the absence thereof, they may not be admitted to the meeting venue.
15. Members who are holding shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification at the meeting.
16. In all correspondence with the Company, members are requested to quote their Folio Number and in case their shares are held in demat form; they must quote their DP ID and Client ID Number.
17. Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
18. Voting through electronic means:
  - (i) Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the Company will be providing members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Securities Limited (CDSL). The detailed procedure to be followed in this regard has been given below. The members are requested to go through them carefully.
  - (ii) The Board of Directors of the Company has appointed M/s. GMJ & Associates, Company Secretaries, Mumbai as Scrutinizer to scrutinize the e-voting and remote e-voting process in a fair and transparent



manner and he has communicated his willingness to be appointed and will be available for the same purpose.

- (iii) The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- (iv) The Company has engaged the services of Central Depository Services Limited (CDSL) as the Agency to provide e-voting facility.
- (v) Voting rights shall be reckoned on the paid up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. **September 22, 2017**.
- (vi) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. **September 22, 2017** only shall be entitled to avail the facility of e-voting/ remote e-voting.
- (vii) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. **September 22, 2017** may obtain the User ID and password from SHAREX DYNAMIC (INDIA) PVT. LTD (Registrar & Transfer Agents of the Company).
- (viii) The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.aurolaboratories.com](http://www.aurolaboratories.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com). The results shall simultaneously be communicated to the Stock Exchange.
- (ix) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. **September 29, 2017**.
- (x) The instructions for shareholders voting electronically are as under:
  - (i) The voting period begins at 9.00 a.m. (IST) on **September 26, 2017** and ends at 5.00 p.m. (IST) on **September 28, 2017** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **September 22, 2017** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iii) Click on Shareholders.
  - (iv) Now Enter your User ID
    - a) For CDSL: 16 digits beneficiary ID,
    - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field</li> </ul>
<b>DOB</b>	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format</p>
<b>Dividend Bank Details</b>	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)</li> </ul>

After entering these details appropriately, click on "SUBMIT" tab.

- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant AURO LABORATORIES LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.



- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details they have to create a corporate user who would be able to link the accounts they would be able to cast their vote.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**Registered Office:**  
K-56, M.I.D.C,  
Tarapur Industrial Area,  
Thane – 401 506  
**Date: May 30, 2017.**

For and on behalf of the Board  
**AURO LABORATORIES LIMITED**

**SHARAT DEORAH**  
**(DIN: 00230784)**  
**CHAIRMAN & MANAGING DIRECTOR**

## **ANNEXURE TO THE NOTICE**

### **Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013.**

#### **ITEM NO.4:**

Mr. Sharat Deorah, was appointed as Chairman & Managing Director of the Company for a term of 3 years which expired on March 31, 2017. Mr. Sharat Deorah is on the Board of the Company since May 26, 1989 and looks after overall affairs of the Company. The terms of appointment & ceiling of remuneration of ₹ 60 Lakhs p.a. as proposed have been cleared and approved by Nomination & Remuneration Committee and the Board at their meeting held on February 10, 2017. This ceiling is on overall remuneration proposed with liberty to vary the same within this aforesaid overall ceiling.

In addition to above Salary and allowance, he will be also entitled to the following perquisites:

- a) Gratuity payable at a rate of half month's salary for each completed year of service.
- b) Company's contribution towards Provident Fund as per Rules of the Company, but the same shall not exceed 25% of the salary, subject to the condition that the contribution to Provident Fund and Superannuation Fund to the extent that these, either singly or put together are not taxable under the Income Tax Act, 1961.
- c) Leave unavailed of will be allowed to be encashed at the end of the tenure as per Company's Rules.
- d) Leave Travel Concession for self and family once a year incurred in accordance with the rules of the Company.

The resolution seeks the approval of the members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (amended from time to time) for the re-appointment of Mr. Sharat Deorah as a Chairman and Managing Director for a period of 3 years commencing April 01, 2017.

#### **MEMORANDUM OF INTEREST**

Mr. Siddhartha Deorah being closely related to Mr. Sharat Deorah as Son, is deemed to be concerned and interested in the resolution at Item no. 4. Except Mr. Siddhartha Deorah and Mr. Sharat Deorah, none of the Directors/KMP of the Company is concerned or interested in this resolution.

#### **ITEM NO.5:**

Mr. Siddhartha Deorah, was appointed as Whole Time Director of the Company for a term of 3 years which expired on March 31, 2017. Mr. Siddhartha Deorah is on the Board of the Company since August 1, 1999 and looks after the Purchase and Sales aspects of the Company. The terms of appointment & ceiling of remuneration of ₹ 60 Lakhs p.a. as proposed have been cleared and approved by Nomination & Remuneration Committee and the Board at their meeting held on February 10, 2017. This ceiling is on overall remuneration proposed with liberty to vary the same within this aforesaid overall ceiling.

In addition to above Salary and allowance, he will be also entitled to the following perquisites:

- a) Gratuity payable at a rate of half month's salary for each completed year of service.



- b) Company's contribution towards Provident Fund as per Rules of the Company, but the same shall not exceed 25% of the salary, subject to the condition that the contribution to Provident Fund and Superannuation Fund to the extent that these, either singly or put together are not taxable under the Income Tax Act, 1961.
- c) Leave unavailed of will be allowed to be encashed at the end of the tenure as per Company's Rules.
- d) Leave Travel Concession for self and family once a year incurred in accordance with the rules of the Company.

The resolution seeks the approval of the members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended from time to time) for the re-appointment of Mr. Siddhartha Deorah as a Whole Time Director for a period of 3 years commencing April 01, 2017.

**MEMORANDUM OF INTEREST**

Mr. Sharat Deorah being closely related to Mr. Siddhartha Deorah as Father is deemed to be concerned and interested in the resolution at Item no. 5. Except Mr. Sharat Deorah and Mr. Siddhartha Deorah, none of the Directors/KMP of the Company is concerned or interested in this resolution.

**ANNEXURE “A” TO THE EXPLANATORY STATEMENT:****I. GENERAL INFORMATION:**

1. Nature of Industry: The main business of the Company is from manufacturing of Pharmaceutical products.
2. Date or expected date of commencement of commercial production: Not Applicable, as the Company is an existing Company.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
4. Financial Performance based on given indicators:

(Amount in ₹)

Sr. No.	Particulars	2016-2017	2015-2016	2014-2015
1.	Gross Income	370,030,775	294,542,858	342,390,333
2.	Profit before tax	29,232,230	8,818,914	8,038,353
3.	Profit after tax	14,034,390	8,818,914	8,038,353
4.	Dividend paid (including tax)	--	--	--
5.	Rate of dividend %	--	--	--

5. Foreign Investments or collaborations, if any: Company does not have any investment outside India

**II. INFORMATION ABOUT THE APPOINTEE:**

Name of Director	Mr. Sharat Deorah	Mr. Siddhartha Deorah
Date of Birth	June 2, 1950	September 21, 1978
Date of Appointment	May 26, 1989	August 1, 2013
Brief resume of the Director	He is associated with the Company since May 26, 1989 as Director of the Company and has an experience of over 30 years to his credit. He looks after the Overall affairs of the Company.	He is associated with the Company since August 1, 1999 as Director of the Company and has an experience of over 15 years to his credit. He looks after the Purchase and Sales aspects of the Company
Qualification	B. Com	MBA
Recognition or awards	Nil	Nil
Past remuneration	₹30,00,000/- p.a.	₹30,00,000/- p.a.
Nature of his expertise in specific functional areas	Finance & Administration	Production & Marketing



<b>Remuneration Proposed</b>	₹60,00,000/- p.a. (This is proposed remuneration and actual will be decided from time to time within the overall ceilings by the Board.)	₹60,00,000/- p.a. (This is proposed remuneration and actual will be decided from time to time within the overall ceilings by the Board.)
<b>Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):</b>	Not possible being a unique nature of the industry. However, as compared to the size of our company, the remuneration to be paid is going to be very comparative as per the industry norms.	Not possible being a unique nature of the industry. However, as compared to the size of our company, the remuneration to be paid is going to be very comparative as per the industry norms.
<b>Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any</b>	- Being promoter, he is directly related to the Company. - Father of Mr. Siddhartha Deorah	- Being promoter, he is directly related to the Company. - Son of Mr. Sharat Deorah

### III. Other Information:

- (1) Reasons of loss or inadequate profits: The Company has not incurred losses, but had inadequate profits to pay higher remuneration to its Managing Director/ whole time Director. This is because of Competition and other outside factors.
- (2) Steps taken or proposed to be taken for improvement: With steps taken by the management, the company is expected to improve further.
- (3) Expected increase in productivity and profits in measurable terms: The management expects about 10-15% increase in performance and profits.

### IV. Disclosures:

Necessary disclosures shall be made in the Directors Report annually and Shareholders will be provided all the necessary information.

The Board recommends the resolution set forth in Item No. 4 & 5, subject to the approval of the Members at the ensuing Annual General Meeting

### ITEM NO.6:

As per the provisions of section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by Post or by Registered post or by Speed post or by Courier or by delivering at his registered office or address or by such electronic or other mode as may be prescribed. It further provides that a member can request for delivery of any document to him through a particular mode for which he shall pay such fees as may be determined by the Company in its Annual General Meeting. Therefore, to enable the members to avail of this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document

in a particular mode, as mentioned in the resolution. Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting; the Board accordingly commends the Ordinary Resolution set out at Item No. 6 of the accompanying notice, for the approval by the members of the Company.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives is in any way concerned or interested in the resolution.

**Registered Office:**

K-56, M.I.D.C,  
Tarapur Industrial Area,  
Thane – 401 506

**Date: May 30, 2017.**

For and on behalf of the Board  
**AURO LABORATORIES LIMITED**

**SHARAT DEORAH**  
**(DIN: 00230784)**  
**CHAIRMAN & MANAGING DIRECTOR**

**DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT PURSUANT TO REGULATION 36(3) OF THE SEBI (LODR) REGULATIONS, 2015:**

<b>Name of Director</b>	<b>Mr. Sharat Deorah</b>	<b>Mr. Siddhartha Deorah</b>
<b>Directors Identification Number (DIN)</b>	0000230784	0000230796
<b>Brief resume &amp; Nature of expertise in specific functional areas</b>	He is associated with the Company since May 26, 1989 as Director of the Company and has an experience of over 30 years to his credit. He looks after the Overall affairs of the Company.	He is associated with the Company since August 1, 1999 as Director of the Company and has an experience of over 15 years to his credit. He looks after the Purchase and Sales aspects of the Company
<b>Disclosure of relationship between directors inter-se</b>	Father of <b>Mr. Siddhartha Deorah</b>	Son of <b>Mr. Sharat Deorah</b>
<b>Names of listed entities in which the person also holds the directorship</b>	NIL	NIL
<b>No. of Shares held in the Company</b>	1164100 Shares	391850 shares
<b>Membership &amp; Chairmanships of Committees of the Board</b>	Nil	-Audit Committee -Stakeholders Relationship Committee

## DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have great pleasure in presenting the 28<sup>th</sup> Annual Report together with the Audited Accounts for the year ended March 31, 2017.

### 1. FINANCIAL HIGHLIGHTS:

FINANCIAL RESULTS:	Year ended 31.03.2017 ₹ In Lakhs	Year ended 31.03.2016 ₹ In Lakhs
Gross Income	3700.30	2833.41
Profit (Loss) before tax	292.32	88.19
<b>Tax Expense:</b>		
Current tax expense for current year	--	-
Deferred tax	151.98	-
Tax expense for Earlier years	--	-
<b>Profit (Loss) for the period</b>	<b>140.34</b>	<b>88.19</b>

### FINANCIAL PERFORMANCE:

Particulars	(₹ in Lakhs)		
	2016-17	2015-16	2014-15
Total revenue	3700.30	2833.41	3288.84
Profit before depreciation and amortization	378.7	156.4.08	151.96
Depreciation and amortization	86.38	68.29	71.58
Profit before exceptional items & tax	292.32	88.19	80.38
Exceptional items	-	-	-
Profit before tax	292.32	88.19	80.38
<b>Tax expense</b>	-	-	-
- Deferred Tax	151.98	-	-
Net profit after tax	140.34	88.19	80.38
Equity shares	62.325	62.325	62.325
EPS	2.25	1.42	1.29

### 2. REVIEW OF OPERATIONS:

During the year, your Company has performed well in terms of revenue and profit. The Company has achieved total revenue of ₹3700.30 Lakhs as against ₹ 2833.41 Lakhs in the previous year. The Profit after tax was ₹ 292.32 Lakhs as against Profit of ₹ 88.19 Lakhs in the previous year.

Your Company is undertaking expansion plan in existing unit to increase production capacity and undertaking active efforts towards accelerating the growth speed and is optimistic about better performance in the future.

The current year looks promising with the Company investing in new marketing strategies and has taken appropriate measures in order to achieve sale targets.

### 3. DIVIDEND & TRANSFER TO RESERVES:

To consolidate the financial position of the Company, the Board does not propose any dividend for the year ended March 31, 2017.

The Board does not propose to transfer any amount to General Reserves for the aforesaid financial year.

### 4. SHARE CAPITAL OF THE COMPANY:

The Paid up Equity share Capital, as at 31<sup>st</sup> March, 2017 was ₹6,23,25,000/- divided into 62,32,500 Equity shares, having face value of ₹10/- each fully paid up.

During the year under review, the Company has not issued any shares with differential voting rights nor granted any stock neither options nor sweat equity.

### 5. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES:

The Company does not have any subsidiaries, joint ventures or associate companies.

### 6. CHANGE IN THE NATURE OF BUSINESS:

There was no change in the nature of business activities during the financial year 2016-17.

### 7. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL:

In accordance with the provisions of Section 152 of the Companies Act 2013 and the Articles of Association of the Company, Mr. Siddhartha Deorah, Whole Time Director of the Company, retires by rotation at the forth coming Annual General Meeting and being eligible offers himself for re-appointment.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee has reappointed Mr. Sharat Deorah as Chairman & Managing Director and Mr. Siddhartha Deorah as Whole Time Director for a period of 3 years w.e.f. April 1, 2017 subject to approval of the members at the Annual General Meeting.

During the Financial Year under review, there has been no change in the Key Managerial Personnel of the Company.

### 8. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

The Board meets at regular intervals to discuss and decide on various issues, including strategy related matters pertaining to the business of the Company.

The Board of Directors met 6 (Six) times during the Financial Year i.e. May 30, 2016, August 12, 2016, September 26, 2016, November 11, 2016, December 20, 2016 and February 10, 2017.

Name of the Director	Designation	Nos. of Meetings held	Meeting attended
Mr. Sharat Deorah	Chairman & Managing Director	6	6
Mr. Siddhartha Deorah	Whole Time Director	6	6
Mr. Govardhan Das Agarwal	Independent Director	6	6
Mr. Kailash Chandra Bubna	Independent Director	6	6
Mrs. Kavita Sharma	Woman Director	6	6

**9. DECLARATION BY INDEPENDENT DIRECTOR(S):**

Independent Directors have given declarations that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015

**10. DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to Section 134 (3)(c) of the Companies Act, 2013 the Directors confirm that:

- (a) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure, if any’;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent 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 and loss of the company for that period;
- (c) 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
- (d) The Directors had prepared the annual accounts on a going concern basis.
- (e) The Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**11. COMMITTEES OF THE BOARD:**

As on March 31, 2017, the Company has in place the following Committees:

- Audit Committee
- Nomination & Remuneration Committee
- Shareholders Relationship Committee

Details of the Committees of the Board of Directors and meetings held during the year under review are as follows:

**11.1 AUDIT COMMITTEE:**

The Company has constituted qualified and Independent Audit Committee comprising of Two Independent Director and One Executive Directors in compliance with the provisions of Section 177 of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. The Audit Committee acts in accordance with the terms of reference specified from time to time by the Board. All the members have financial and accounting knowledge.

The Committee Members met 4 (Four) times during the Financial Year i.e. May 30, 2016, August 12, 2016, November 11, 2016 and February 10, 2017.

Attendance record at the meetings of the Audit Committee of Directors during Financial Year 2016–17:

Name of the Director	Position	Category	Nos. of Meetings held	Meeting attended
Mr. Kailash Chandra Bubna	Chairperson	Independent Non-Executive	4	4
Mr. Govardhan Das Agarwal	Member	Independent Non-Executive	4	4
Mr. Siddhartha Deorah	Member	Executive Director	4	4

### 11.2 NOMINATION & REMUNERATION COMMITTEE:

The Company is having “Nomination and Remuneration Committee” in accordance with Section 178 of Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. The Committee comprises of Mr. Kailash Chandra Bubna, Independent Director as the Chairperson, Mr. Govardhan Das Agarwal and Mrs. Kavita Sharma as Members. The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The policy lays down the criteria determining qualifications, positive attributes, independence of a director and other matters pursuant to the provisions of the Companies Act, 2013.

The Committee Members met 4 (Four) times during the Financial Year i.e. May 30, 2016, September 26, 2016, December 20, 2016 and February 10, 2017.

Attendance record at the meetings of the Nomination and Remuneration Committee of Directors during Financial Year 2016–17:

Name of the Director	Position	Category	Nos. of Meetings held	Meeting attended
Mr. Kailash Chandra Bubna	Chairperson	Independent Non-Executive	4	4
Mr. Govardhan Das Agarwal	Member	Independent Non-Executive	4	4
Mrs. Kavita Sharma	Member	Independent Non-Executive	4	4

### 11.3 STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Company is having ‘Stakeholders Relationship Committee’ in order to align it with the provisions of Section 178 of the Companies Act, 2013. The Committee has been constituted to strengthen the investor relations and to inter-alia, look into issues relating to shareholders grievances pertaining to transfer of shares, non- receipt of declared dividends, non-receipt of Annual Report, issues concerning de-materialization etc.

The Following table shows the nature of complaints received from the shareholders during the years 2016-2017.

<b>Nature of Complaints</b>	<b>No. of complaints received during the year 2016-2017</b>	<b>No. of Complaints Resolved</b>
Non receipt of Divident Warrant	--	--
Non receipt of Annual Report	--	--
Non receipt of Share Certificate	1	1
SEBI	--	--

There were no complaints pending as on 31<sup>st</sup> March, 2017.

The Committee members met 4 (Four) times during the financial year i.e. May 30, 2016, August 12, 2016, November 11, 2016 and February 10, 2017.

<b>Name of the Director</b>	<b>Position</b>	<b>Category</b>	<b>Nos. of Meetings held</b>	<b>Meeting attended</b>
Mr. Kailash Chandra Bubna	Chairperson	Independent Non-Executive	4	4
Mr. Govardhan Das Agarwal	Member	Independent Non-Executive	4	4
Mr. Siddhartha Deorah	Member	Executive Director	4	4

#### **11.4 SHAREHOLDING OF NON-EXECUTIVE INDEPENDENT DIRECTORS**

The shareholding in the Company by the Non-Executive Independent Directors in their own name is NIL.

#### **12. BOARD EVALUATION:**

The Board of Directors carried out an annual evaluation of its own performance, committees and individual directors pursuant to the provisions of the Act and as prescribed by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The performance of the Board was evaluated after seeking inputs from all the directors on the basis of the criteria as under:

- Board composition and structure
- Effectiveness of Board processes, information and functioning

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as:

- Composition of committees
- Effectiveness of committee meetings
- Achievements during the year based on their duties



- Reviewing the terms of reference of the committees

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria such as;

- Contribution of the director to the Board's strategic thinking
- Leadership and commitment of the director
- Participation in Board and Committee meetings
- Communication and interpersonal skills of the director
- Ethical issues and dilemmas faced by the director
- Relationship of the director with the senior management.

In addition, the Chairman was also evaluated on the key aspects of his role.

Performance evaluation of Independent directors was done by the entire Board on the basis of their role, accountability, objectivity, leadership qualities and personal attributes. The Directors being evaluated did not participate in the evaluation process.

#### **13. VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company has a Vigil Mechanism / Whistle Blower policy to report genuine concerns, grievances, frauds and mismanagements, if any. The Vigil Mechanism /Whistle Blower policy has been posted on the website of the Company [www.aurolaboratories.com](http://www.aurolaboratories.com)

#### **14. CODE OF CONDUCT:**

Your Company is committed to conducting its business in accordance with the applicable laws, rules and regulations and highest standards of business ethics. In recognition thereof, the Board of Directors has implemented a Code of Conduct for adherence by the Directors (including Independent Directors), Senior Management Personnel and Employees of the Company. This will help in dealing with ethical issues and also foster a culture of accountability and integrity. The Code has been posted on the Company's [www.aurolaboratories.com](http://www.aurolaboratories.com).

All the Board Members and Senior Management Personnel have confirmed compliance with the Code.

#### **15. FIXED DEPOSIT:**

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

#### **16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The details of loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 read with Companies (meeting of Board and its Powers) Rules, 2014 form part to the financial statements in this Annual Report.

**17. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant and material orders passed by the Regulators or Courts that would impact the going status of the Company and its future operations.

**18. EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013, is included in this Report as **Annexure 'A'** and forms an integral part of this Report.

**19. RELATED PARTY TRANSACTIONS:**

During the financial year 2016-17, your Company has not entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014 and hence provisions of Section 188 of the Companies Act, 2013 are not applicable to Company.

**20. STATUTORY AUDITORS:**

Your Board proposes to appoint M/s. Khurdia Jain & Co., Chartered Accountants, Mumbai (Firm Registration No. 120263W) with the Institute of Chartered Accountants of India) in place of M/s. Kothari Jain & Associates, Chartered Accountants, the retiring Auditors, to hold office from the conclusion of the ensuing AGM until the conclusion of the 33<sup>rd</sup> AGM to be held in 2022 (subject to ratification of the appointment by the members at every AGM held after this AGM). As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s. Khurdia Jain & Co., Chartered Accountants, that their appointment, if made, would be in conformity with the limits specified in the said Section.

**21. SECRETARIAL AUDIT:**

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, the company has appointed M/s. GMJ & Associates, Company Secretaries to undertake the Secretarial Audit of the Company for the year ended March 31, 2017.

The Secretarial Audit Report is annexed herewith as **Annexure 'B'** and forms an integral part to this Report.

**22. COST AUDIT:**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rules made thereunder, Cost Audit is not applicable to the Company for the financial year 2016-17.

**23. AUDITOR'S REPORT/ SECRETARIAL AUDIT REPORT:**

The observations of the Auditors contained in their Report have been adequately dealt with in the Notes to the Accounts which are self-explanatory and, therefore, do not call for any further comments.

Further the Auditors Report and the Secretarial Audit Report for the Financial Year 2016-17 do not contain any qualifications, reservations or adverse remarks.

#### **24. PREVENTION OF SEXUAL HARASSMENT:**

The Company has complied with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder.

During the year under review, no complaints were reported.

#### **25. RISK MANAGEMENT:**

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner; your Company periodically assesses risks in the internal and external environment, along with the cost of treating risks and incorporates risk treatment plans in the strategy, business and operational plans.

The Company has in place a Risk Management Policy (a) to ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management. (b) to establish a framework for the company's risk management process and to ensure its implementation. (c) to enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices (d) to assure business growth with financial stability.

#### **26. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined by the Audit Committee. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Managing Director.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company.

Based on the report of internal audit function, the Company undertakes corrective action in their respective areas and thereby strengthens the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

#### **27. DEPOSITORY SERVICES:**

The Company's Equity Shares have been admitted to the depository mechanism of the National Securities Depository Limited (NSDL) and also the Central Depository Services (India) Limited (CDSL). As a result the investors have an option to hold the shares of the Company in a dematerialized form in either of the two Depositories. The Company has been allotted ISIN No. INE292C01011.

Shareholders therefore are requested to take full benefit of the same and lodge their holdings with Depository Participants [DPs] with whom they have their Demat Accounts for getting their holdings in electronic form.

#### **28. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in 'Annexure C'.

**29. PARTICULARS OF EMPLOYEES:**

The information required pursuant to Section 197 read with rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is 'Annexure D' to this Report.

None of the employees have drawn remuneration as prescribed under Section 197 read with rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended time to time.

**30. CORPORATE GOVERNANCE:**

As per Regulation 15(2) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Corporate Governance provisions are not applicable to the Company for the Financial Year 2016-17.

**31. LISTING:**

The Company's Shares are listed on BSE Limited, Mumbai. The Company has paid Listing Fee for the year 2017-18.

**32. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:**

There were no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements related and the date of the report.

**33. CORPORATE SOCIAL RESPONSIBILITY:**

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the net profit of the Company was below ₹ 5 Crores during the last three immediately preceding Financial Years. Accordingly, the provisions of CSR policy were not applicable for the Financial Year 2016-17.

**34. ENVIRONMENT AND SAFETY:**

The Company is committed to:

- Maintain an organizational culture of Health, Safety & Environmental excellence by conducting its business in a manner that will promote consistent development.
- Safe work, resource conservation, waste management and emergency response measures for continual improvement in performance.
- Design, construct, operate & maintain its facilities while assuring the best material and service quality and operate in a way that mitigates and minimizes risks and hazards.
- Prevention of ill-health, injuries and pollution by adopting best practices, carrying out periodic risk assessments, audits, reviews, inspections and providing awareness to employees and concerned stakeholders.

**35. ACKNOWLEDGMENT:**

The Directors wish to convey their appreciation to the Company's shareholders, customers, suppliers, bankers and distributors for the support they have given to the Company and the confidence, which they have reposed in its management and the employees for the commitment and dedication shown by them.

**Registered Office:**  
K-56, M.I.D.C,  
Tarapur Industrial Area,  
Thane – 401 506  
**Date: May 30, 2017.**

For and on behalf of the Board  
**AURO LABORATORIES LIMITED**

**SHARAT DEORAH**  
**(DIN: 00230784)**  
**CHAIRMAN & MANAGING DIRECTOR**

## Annexure - A To Director's Report

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 2016-2017**

**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]**

<b>I. REGISTRATION AND OTHER DETAILS:</b>	
i) CIN:-	L33125MH1989PLC051910
ii) Registration Date:-	26-05-1989
iii) Name of the Company:-	AURO LABORATORIES LIMITED
iv) Category / Sub-Category of the Company:-	Company limited by shares & Indian Non Government Company
v) Address of the Registered office and contact details:-	K-56, M I D C, TARAPUR INDUSTRIAL AREA, THANE- 401506 TEL: +91 22 66635456
vi) Whether listed company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	SHAREX DYMANIC (INDIA) PVT. LTD. Unit-1, Luthra Ind. Premises, Safed Pool, Andheri Kurla Road, Andheri (E), Mumbai- 400072. Contact No: 2851 5606

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

**All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-**

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Pharmaceuticals	210	100.00

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Sr. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
Not Applicable					



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding	Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year	
		Demat	Physical	Total	% of Total Shares	Demat	Physical		Total
A. Promoter's	(1) Indian								
	a) Individual/ HUF	1965633	1700	1967333	31.566%	2022475	1700	2024175	32.478%
	b) Central/State Govt								
	c) Bodies Corp.	1168781	0	1168781	18.753%	1168781	0	1168781	18.753%
	d) Banks / FI								
	e) Any Other								
	<b>Sub-total (A) (1):-</b>	<b>3134414</b>	<b>1700</b>	<b>3136114</b>	<b>50.319%</b>	<b>3191256</b>	<b>1700</b>	<b>3192956</b>	<b>51.231%</b>
(2) Foreign									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other									
	<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>3134414</b>	<b>1700</b>	<b>3136114</b>	<b>50.319%</b>	<b>3191256</b>	<b>1700</b>	<b>3192956</b>	<b>51.231%</b>
B. Public Shareholding	1. Institutions								
	a) Mutual Funds	0	400	400	0.006%	0	400	400	0.006%
									0.000

b) Banks / FI													
c) Central/ State Govt													
d) Venture Capital Funds													
e) Insurance Companies													
f) FIs													
g) Foreign Venture Capital Funds													
i) Others (specify)													
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>400</b>	<b>400</b>	<b>0.006%</b>	<b>0</b>	<b>400</b>	<b>0</b>	<b>400</b>	<b>0.006%</b>	<b>400</b>	<b>400</b>	<b>0.006%</b>	<b>0.000</b>
<b>2. Non-Institutions</b>													
a) Bodies Corp.													
i) Indian	113238	18700	131938	2.117%	79787	18700	96487	18700	1.580%				
ii) Overseas													
b) Individual shareholders holding													
i) upto ₹1 lakh	1276181	718668	1995049	32.010%	1269350	710268	1979618	710268	31.763%				-0.248%
ii) excess of Rs1 lakh	266677	0	266677	4.279%	244312	0	244312	0	3.920%				-0.359%
c) Others													
Clearing Member	1726	0	1726	0.028%	39695	0	39695	0	0.637%				0.609%
OCB	0	0	0		0	0	0	0					0
NRI	302896	397700	700596	11.241%	282332	394700	677032	394700	10.863%				-0.378%
<b>Sub-total (B)(2):-</b>	<b>1,960,718</b>	<b>1,135,268</b>	<b>3,095,986</b>	<b>49.675%</b>	<b>1,915,476</b>	<b>1,123,668</b>	<b>3,039,144</b>	<b>1,123,668</b>	<b>48.763%</b>				<b>-0.912%</b>
Total shareholding of Public Shareholding (B) = (B)(1)+(B)(2)	1,960,718	1,135,668	3,096,386	49.681%	1,915,476	1,124,068	3,039,544	1,124,068	48.769%				-0.912%
C. Shares held by Custodian for GDRs & ADRs													
<b>Grand Total (A+B+C)</b>	<b>5,095,132</b>	<b>1,137,368</b>	<b>6,232,500</b>	<b>100.000%</b>	<b>5,106,732</b>	<b>1,125,768</b>	<b>6,232,500</b>	<b>1,125,768</b>	<b>100.000%</b>				<b>-</b>





(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Share holding at the end of the year		% change in share holding during the year
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	
1	AURO IMPEX PRIVATE LIMITED	1168781	18.753	1168781	18.753	0
2	SHARAT DEORAH	514481	8.255	1164100	18.678	0
3	MEENA DEORAH	628755	10.088	0	0	-10.088
4	SIDDHARTHA DEORAH	370286	5.941	391850	6.287	0
5	SAMRIDHI DEORAH	223082	3.579	237496	3.811	0
6	SHARAT DEORAH (HUF)	229029	3.675	229029	3.675	0
7	SUMAN BHUWANIA	1700	0.027	1700	0.027	0

iii) Change in Promoters' Shareholding

Sr. No.	Shareholding at the beginning of the year (As on 01-04-2015)	Shareholding at the beginning of the year		Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		3136114	50.32	3192956	51.23
	At the beginning of the year				
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc.				
	At the End of the year	3136114	50.32	3192956	51.23
	* The increase in % of total shares of the company from 50.32 % to 51.23 % is due to Market Purchase				
	# Inter-se Transfer among Promoters and Market Purchases by Promoter				

Sr. No	Shareholder's Name	Shareholding at the Beginning of the Year		Date	Reason	No.Of shares	% of total Shares of the company
		No. of Shares at the beginning / end of the Year	% of the Shares of the company				
1	SHARAT DEORAH	514481	8.255	01-04-2016			
				03-06-2016	Gift	1143236	18.343
				02-12-2016	Purchase	1151386	18.474
				17-02-2017	Purchase	1163186	18.663
				24-03-2017	Purchase	1164100	18.678
				31-03-2017		1164100	18.678





					07-10-2016	-100	Sale	85925	1.379
					14-10-2016	-479	Sale	85446	1.371
					21-10-2016	-1150	Sale	84296	1.353
					28-10-2016	-4715	Sale	79581	1.277
					04-11-2016	-3566	Sale	76015	1.22
					11-11-2016	-4430	Sale	71585	1.149
					16-12-2016	-72	Sale	71513	1.147
					06-01-2017	-1870	Sale	69643	1.117
					13-01-2017	-500	Sale	69143	1.109
					20-01-2017	-201	Sale	68942	1.106
					03-02-2017	-500	Sale	68442	1.098
					10-02-2017	-501	Sale	67941	1.09
					17-02-2017	-150	Sale	67791	1.088
					31-03-2017			67791	1.088
5	BANKIM C SHAH	25000	0.401		01-04-2016				
					09-12-2016	25000	Purchase	50000	0.802
					31-03-2017			50000	0.802
6	SUNIL KOTHARI	20003	0.321		01-04-2016				
					02-09-2016	-1250	Sale	18753	0.301
					31-03-2017			18753	0.301
7	SURAJKANWARI RAMNIMAS KASAT	16959	0.272		01-04-2016				
					31-03-2017			16959	0.272
8	ADD VALUE FINANCIAL SERVICES LLP	16900	0.271		24-06-2016				
					31-03-2017			16900	0.271
9	PHALGUNI ENCLAVE PVT LTD	14232	0.228		01-04-2016				
					31-03-2017			14232	0.228

10	SAUMIT JAYESH MEHTA	12500	0.201	01-04-2016 31-03-2017					12500	0.201
11	NINJA SECURITIES PRAVITE LIMITED	25142	0.403	01-04-2016						
				08-04-2016	-200	Sale		24942	0.4	
				15-04-2016	-962	Sale		23980	0.385	
				22-04-2016	1135	Purchase		25115	0.403	
				29-04-2016	-261	Sale		24854	0.399	
				06-05-2016	1345	Purchase		26199	0.42	
				13-05-2016	1745	Purchase		27944	0.448	
				20-05-2016	2849	Purchase		30793	0.494	
				27-05-2016	3310	Purchase		34103	0.547	
				03-06-2016	640	Purchase		34743	0.557	
				10-06-2016	1138	Purchase		35881	0.576	
				17-06-2016	700	Purchase		36581	0.587	
				24-06-2016	-945	Sale		35636	0.572	
				08-07-2016	-800	Sale		34836	0.559	
				15-07-2016	-1250	Sale		33586	0.539	
				22-07-2016	-477	Sale		33109	0.531	
				29-07-2016	-540	Sale		32569	0.523	
				12-08-2016	-2000	Sale		30569	0.49	
				19-08-2016	-4150	Sale		26419	0.424	
				26-08-2016	-2750	Sale		23669	0.38	
				02-09-2016	1000	Purchase		24669	0.396	
				09-09-2016	-100	Sale		24569	0.394	
				23-09-2016	9686	Purchase		34255	0.55	
				30-09-2016	-25172	Sale		9083	0.146	
				07-10-2016	-1500	Sale		7583	0.122	
				11-11-2016	-380	Sale		7203	0.116	
				18-11-2016	-162	Sale		7041	0.113	
				25-11-2016	500	Purchase		7541	0.121	
				02-12-2016	-1041	Sale		6500	0.104	

			06-01-2017	-1001	Sale	5499	0.088
			17-02-2017	-500	Sale	4999	0.08
			31-03-2017			4999	0.08
12	BEENA B SHAH	25000	01-04-2016				
			09-12-2016	-25000	Sold	0	0
			31-03-2017				
13	ADD VALUE FINANCIAL SERVICES PVT LTD	16900	01-04-2016				
			31-03-2017	-16900	Sold	0	0

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No	Name	Shareholding at the beginning of the year			Cumulative Shareholding at the end of the year			% of total Shares of the company
		No. of Shares at the beginning / end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. Of shares	
1	SHARAT DEORAH	514481	8.255	01-04-2016				
				03-06-2016	628755	Purchase	1143236	18.343
				02-12-2016	8150	Purchase	1151386	18.474
				17-02-2017	11800	Purchase	1163186	18.663
				24-03-2017	914	Purchase	1164100	18.678
				31-03-2017			1164100	18.678
2	SIDDHARTHA DEORAH	370286	5.941	01-04-2016				
				15-07-2016	10000	Purchase	380286	6.102
				10-03-2017	11564	Purchase	391850	6.287
				31-03-2017			391850	6.287

**V. INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount		72,327,910.00	-	72,327,910.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>72,327,910.00</b>	-	<b>72,327,910.00</b>
Change in Indebtedness during the financial year				
• Addition		-	-	-
• Reduction		22,997,692.00	-	22,997,692.00
<b>Net Change</b>	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount		49,330,218.00	-	49,330,218.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>49,330,218.00</b>	-	<b>49,330,218.00</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Siddhartha Deorah	Sharat Deorah	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,750,000.00	1,900,000.00	3,650,000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-



Total (A)	1,750,000.00	1,900,000.00	3,650,000.00
Ceiling as per the Act	3,000,000.00	3,000,000.00	

**B. Remuneration to other directors:**

Sr. No	Particulars of Remuneration	Name of the Director			Total Amount
		Goverdhan Das Agarwal	Kailash Chandra Bubna	Kavita Sharma	
1	Independent Directors				
	• Fee for attending board committee meetings	15,000.00	15,000.00	15,000.00	45,000.00
	• Commission				
	• Others, please specify				
	Total (1)	15,000.00	15,000.00	15,000.00	45,000.00
2	Other Non-Executive Directors				
	• Fee for attending board committee meetings				
	• Commission				
	• Others, please specify				
	Total (2)	-	-	-	-
	Total (B)=(1+2)	15,000.00	15,000.00	15,000.00	45,000.00
	Total Managerial Remuneration				
	Overall Ceiling as per the Act		Not Applicable		

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Amit Shah (CFO)	Shanu Patania (Secretary)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	803,377.00	250,764.00	1,054,141.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-

4	Commission as % of profit others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	803,377.00	250,764.00	1,054,141.00

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					



**Form No.MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017**

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,  
**The Members,**  
**AURO LABORATORIES LIMITED**  
K-56 MIDC Tarapur Industrial Area,  
Thane – 401506

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AURO LABORATORIES LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions of the applicable Acts listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable.
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz
  - a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **[Not applicable during the period of audit]**
  - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **[Not applicable during the period of audit]**
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008; **[Not applicable during the period of audit]**

- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **[Not applicable during the period of audit]**
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: **[Not applicable during the period of audit]**
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **[Not applicable during the period of audit]**
- vi. We have also examined compliance with the applicable clauses of the Secretarial Standards I and II issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Further, the Company being manufacturing of Bulk drug, there are no specific applicable laws to the Company, which requires approvals or compliances under any Act or Regulations.

We report that the Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same has been subject to review by statutory financial auditor and other designated professionals.

We further report that based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in our opinion, adequate systems and processes and control mechanism exist in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines and general laws like various labour laws, competition law, environmental laws, etc.

We further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of Board of Directors during the period under review.

Adequate notices are given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority of the decisions being carried through were captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **GMJ & ASSOCIATES**  
**Company Secretaries**

**[MAHESH SONI]**  
**PARTNER**  
**FCS: 3706 / COP: 2324**

**PLACE: MUMBAI**  
**DATE: MAY 30, 2017**

Note: This report is to be read with our letter of even date which is annexed as '**ANNEXURE**' and forms an integral part of this report.

## ANNEXURE

To,  
**The Members,**  
**AURO LABORATORIES LIMITED**  
K-56 MIDC Tarapur Industrial Area,  
Thane - 401506

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For GMJ & ASSOCIATES**  
**Company Secretaries**

**[MAHESH SONI]**  
**PARTNER**  
**FCS: 3706 / COP: 2324**

**PLACE: MUMBAI**  
**DATE: MAY 30, 2017**

## Annexure 'C' To Director's Report

**CONSERVATION OF ENERGY:**

## A. Energy Conservation measures taken :

During the year, Company continued to focus on minimizing the energy consumption and the measures taken are summarised below:

- a] Due consideration has been given to energy consumption while procuring equipment's.
1. As a responsible Corporate Citizen and in adherence to our climate change strategy, the Company is continuously taking effective steps to conserve energy and to reduce methane and other Green Houses Gases (GHG) emissions, wherever feasible.
  2. Except the emergency lights, all lights and electrical gadgets are turned off after working hours and on holidays at office premises of the Company to help in minimising the energy consumption.

The Company pays highest attention on conservation of energy. A constant watch on conserving the energy is maintained.

- b] Additional Investments and proposals, if any being implemented for the reduction of consumption of energy : None
- c] Impact of the measures at (a) and (b) above for the reduction of production of goods Negligible
- d] Total energy consumption and under energy consumption per unit of the production as

Particulars	March 31, 2017	March 31, 2016
<b>I. ELECTRICITY</b>		
a. Purchase Unit (in Lacs)	13.84	10.96
i. Total Amount (₹ In Lacs)	112.51	86.38
ii. Rate / Unit (₹)	8.13	7.88
b. Own generation (through diesel Generator)	NIL	NIL

II. LIGHT DIESEL OIL LDO/ FURNACE OIL / BRIQUETTE	March 31, 2017	March 31, 2016
<b>(For Production) Quantity (Ltr./kg. In Lacs)</b>		
a. LDO Ltr.	0.078	0.01
b. FURNACE OIL Ltr.	0	0.15
c. BRIQUETTES Kg.	17.83	13.94
<b>Total Amount (₹ In Lacs)</b>		
a. LDO	4.81	6.68
b. FURNACE OIL	0	3.86
c. BRIQUETTES	115.13	94.09

Average rate per Ltr. /Kg. (₹)		
a. LDO Ltr.	61.67	60.72
b. FURNACE OIL Ltr.	0	25.73
c. BRIQUETTES Kg.	6.46	6.75
<b>III. CONSUMPTION PER KG. OF PRODUCTION</b>		
a. Products (Kg.)	1412805	1235195
b. Electricity (₹)	7.96	6.99
c. Diesel / FO / Briquette (₹)	8.50	8.47

#### RESEARCH & DEVELOPMENT (R & D)

1. Specific areas in which R & D carried out by the Company : NONE
2. Benefits derived as a result of the above R & D : NIL
3. Future plan of action : NONE
4. Expenditure on R & D : NIL

#### TECHNOLOGY ABSORPTION

Technology absorption, adaptation and innovation: **Not Applicable**

- 1 Efforts in brief made towards technology absorption, adaptation and innovation:
- 2 Benefits derived as a result of the above efforts
- 3 Technology Imported during the last five years: **Not Applicable**
  - a] Technology imported
  - b] Year of Import
  - c] Has technology been fully absorbed
  - d] If not fully absorbed, areas where it has not take

#### FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign exchange earnings:-

FOB/CIF / CNF Value of export: ₹ 2113.07 Lakhs (Previous Year ₹ 1385.92 Lacs).

Foreign exchange outgo:-

CIF Value of Import: ₹ 730.02 Lakhs (Previous Year: ₹ 710.51 Lacs).

Foreign travelling expenses: ₹ 10.33 Lakhs (Previous Year: ₹ 21.32 Lacs).

## Annexure 'D' To Director's Report

**Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

- i. Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2015-16, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Executive Director and Company Secretary during the financial year 2015-16.

S. No	Name of Director/ KMP	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration
1	Mr.Sharat Sahadeolal Deorah	Managing director	3.62:1	58.33
2	Mr.Siddhartha Sharat Deorah	Whole-time director	3.33:1	94.44
3	Mr.Govardhan Das Agarwal	Director	0.0	0.0
4	Mr.Kailash Chandra Bubna	Director	0.0	0.0
5	Mrs.Kavita Vijayakant Sharma	Director	0.0	0.0
6	Mr. Amit Mahipat Shah	Chief Executive Officer	1.52:1	1.02
7	Ms. Shanu Patania	Company Secretary	0.47:1	2.60

**Note:**

1. The number of permanent employees as on 31<sup>st</sup> March, 2017 was 58
2. Explanation on the relationship between average increase in remuneration and the company performance: Not Applicable.
3. Comparison of the remuneration of Key Managerial Personnel against the performance of the company: Not Applicable.
4. Percentage increase in the median remuneration of employees in the financial year 2016-17 compared to 2015-16 : Not Applicable
5. Average percentile increase in salaries of Employees other than managerial personnel : 7% to 8%
6. Comparison of each remuneration of Key Managerial Personnel against the performance of the company :-

Name of the Key Managerial Personnel	Remuneration for the years ended			Reason against performance of the Company
	31.03.2017	31.03.2016	% age Change	
Mr. Sharat Sahadeolal Deorah	19,00,000	6,00,000**	58.33	N.A
Mr. Amit Mahipat Shah	8,03,377	7,95,231	1.02	
Ms. Shanu Patania	2,50,764	2,44,678	2.60	

\*\* paid from 1/10/2015 percentage calculated based on full year salary

7. Key parameter for any variable component of remuneration availed by the Director : -

Considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

8. Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess the highest paid director during the year : - Not Applicable

## **INDEPENDENT AUDITOR'S REPORT**

### **Auditors' Report to the Members of AURO LABORATORIES LIMITED**

#### **1. Report on the Financial Statements**

We have audited the attached financial statements of **AURO LABORATORIES LIMITED** ("the Company"), which comprises the Balance Sheet as at 31<sup>st</sup> March 2017, the statement of Profit and Loss Account and the Cash Flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### **2. Management's Responsibility for the Financial Statements**

The Company's Board of Director is responsible for the matter stated in section 134(5) of the companies act 2013(the Act") with respect to the preparation and presentation of these standalone financial statement that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies ( Accounts) Rules, 2014. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **3. Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **4. Opinion**

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid subject to the **Notes regarding Doubtful loans and advances of ₹ 7,49,633/-, resulting to overstatement of profit amounting to ₹ 7,49,633/- for the year**, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the balance sheet, of the state of affairs of the Company as at 31st March 2017.
- b) In the case of the Profit & Loss Account, of the "Profit" for the year ended on that date.
- c) In the case of the Cash Flow Statement, of the Cash Flow for the year ended on that date.



## 5. Report on other legal and Regulatory Requirements

1. As required by the companies (Auditor's Report) Order 2016 ("the Order") issued by the Central Government of India in terms of sub 11 of section 143 of the Act, we give in the annexure A, a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by Section 143(3) of the Act, 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 purpose of our audit;
  - b) In our opinion proper books of accounts as required by law have kept by the company so far as appears from ours examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
  - d) In our opinion the Balance Sheet, the Statement of Profit and Loss and the Cash Flow statement comply with the accounting standards referred to in section 133 of the Act, read with rule 7 of the Companies (Accounts) Rule 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of director, None of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of section 164 (2) of the Act
  - f) With respect to the other matter to be included in the auditor's report in accordance with rule 11 of the companies (Audit and Auditors) Rule, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanation given to us:
    - i. The company has disclosed the impact of pending litigations as at 31<sup>st</sup> March 2017 on its financial position in its financial statements.
    - ii. The company is not required to transfer any amount to the investor education and protection fund.
    - iii. The Company did not have any long term contracts including derivates contracts for which there were any material foreseeable losses; and
  - g) With respect to the adequacy of the internal financial control over financial reporting of the company and the operating of the company and the operating effectiveness of such control, refer to our separate report in Annexure B.

**For KOTHARI JAIN & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 113041 W

**[SUNIL KUMAR KOTHARI]**  
PROPRIETOR  
M.NO. 043842

Place: Mumbai  
Date: 30<sup>th</sup> MAY 2017

## **ANNEXURE TO THE AUDITORS REPORT**

(Referred to in our Report of even date)

**We have prepared this annexure on the basis of the Books of Account examined, and information and explanations obtained by us during the course of our Audit. Further, in our opinion and to the best of our knowledge we report that –**

- i) a) The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- b) As explained to us, the fixed assets are being physically verified under a phased programme of verification, which in our opinion, is reasonable and no material discrepancies have been noticed on such verification.
- c) The company has not disposed off substantial part of fixed assets, during the year under review, to affect its going concern.
- ii) a) Inventories have been physically verified during the year by management at reasonable intervals.
- b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- c) The company is maintaining proper records of its inventories as required in the normal course of business. The discrepancies noticed on verification between physical stocks and book records were not material.
- iii) a) The company has granted any loan secured or unsecured to Companies, firms or other parties covered in the register maintained under section 189 of the Act..
- b) In our opinion, the rate of interest and other term and condition on which the unsecured loans have been taken by the company listed in the register maintained under section 189 of the Act are not prima–facie prejudicial to the interest of the company.
- c) The terms of repayment of the principal amount is not specified.
- d) In our opinion, according to the information and explanation given to us, reasonable steps have been taken by the company for the payment of the principal amount and no amount is overdue for more than rupee one lacs.
- iv) The company has not given any loans or made investments or issued any guarantee or provide any security covered under section 185 and 186 of the Act.
- v) In our opinion and according to the information and explanation given to us, the company has not accepted deposits from public within the meaning of section 73 and 76 of the Act and the rules framed there under to the extent notified.
- vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the order made by the Central Government for maintenance of cost records prescribed under Sub- Section (1) of section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determining whether they are accurate or complete.



- vii) a) According to the information and explanations given to us and on the basis of examination of the records of the Company, we are of the opinion that the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investors Education and protection fund, Employees' State Insurance, Income Tax, Sales Tax/VAT, Wealth Tax, Custom Duty, Excise Duty, Cess and Other material statutory dues with the appropriate authorities and there are no outstanding unpaid amounts as at the balance sheet date for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no undisputed dues in respect of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty and Cess.
- viii) In our opinion, the Accumulated losses of the company at the end of the financial year are not more than fifty per cent of its net worth. The company has not incurred cash losses during the financial year covered by our audit as well as in the immediately preceding financial year.
- ix) In our opinion, according to the information and explanation given to us, the company has not defaulted in repayment of dues to financial institutions or banks.
- x) According to the records of the company examined by us and the information and explanation given to us, managerial remuneration has been paid/ provided by the company in accordance with the requisite approval mandated by the provisions of section 197 read with schedule V to the companies Act .
- xi) According to the information and explanation given to us and on overall examination of the balance sheet of the company, the Company has applied the term loans for the purpose for which the loans were obtained.
- xii) According to the information and explanation given to us no fraud on or by the Company has been noticed or reported during the course of our audit.
- xiii) The Company is not required to be registered under section 45-IA of the Reserve Bank of India 1934.
- xiv) According to information and explanation given to us and based on our examination of the records of the company, the company has not entered into non-cash transaction with directors or person connected with him
- xv) According to information and explanation given to us and based on our examination of the records of the company the company has not made any preferential allotment or private placement of share or fully or partly convertible debenture during the year.
- xv) The companies is not a nidhi / chit fund company hence our comment as required under clause 3(xii) of the order not given.

**For KOTHARI JAIN & ASSOCIATES**  
CHARTERED ACCOUNTANT  
FIRM REGN. NO. 113041 W

**[SUNIL KUMAR KOTHARI]**  
PROPRIETOR  
M. No. 043842

Place: Mumbai  
Dated: 30<sup>th</sup> MAY 2017

## **Annexure B to The Independent Auditors Report**

### **Report on the Internal Financial Control under Clause (i) of Sub section 3 of section 143 of the companies Act 2013 (the Act)**

We have audited the internal financial control over financial reporting of Auro laboratories Limited (“ the company”) as of 31<sup>st</sup> March 2017 in conjunction with our audit of the standalone financial statement of the company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial control based on the internal control over financial reporting criteria establish by the Company considering the essential components of the internal control stated in the guidance note on Audit of Internal financial control over financial reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company’s policies the safeguarding of its assets the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Companies Act 2013.

#### **Auditors’ Responsibility**

Our Responsibility is to express an opinion on the company’s Internal Financial control over financial reporting based on our audit. We conducted our audit in accordance with the guidance note on audit of Internal Financial control over financial reporting ( the Guidance Note”) and the standards on auditing issued by ICAI and deemed to be prescribed under section 143 (10) of the companies act 2013 to the extent applicable to an audit of internal financial control both applicable to an audit of internal financial control and both issued by the institute of chartered accountant of India. That standard and the guidance note required that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial reporting was establish and maintained and if such controls operated effectively in all matters respect.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control systems over financial reporting and their operating effectiveness. Our audit of internal financial control over financial reporting included obtaining an understanding of internal financial control over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment including the assessment of risk of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my/our audit opinion on the company internal financial control systems over financial reporting.

#### **Meaning of Internal Financial controls over financial reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principal. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transaction and dispositions of the assets of the

company; (2) provide reasonable assurance that transaction are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisitions, use or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitation of Internal Financial Control over financial reporting**

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projection of any evaluation of the internal financial control over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute Of Chartered Accountants Of India.

#### **FOR KOTHARI JAIN & ASSOCIATES**

CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 113041 W

#### **[SUNIL KUMAR KOTHARI]**

PROPERITOR  
M.NO.043842

PLACE: MUMBAI

DATE: 30<sup>th</sup> May 2017

Balance Sheet as at 31st March, 2017				
Particulars		Note	31.03.2017	31.03.2016
			Amount in ₹	Amount in ₹
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	2	62325000	62325000
	(b) Reserves and surplus	3	37576200	23541810
			<b>99901200</b>	<b>85866810</b>
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	4	62961899	72327910
	(b) Deferred tax liabilities (net)		15197840	0
			<b>78159739</b>	<b>72327910</b>
<b>3</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	5	35865635	53911926
	(b) Trade payables	6	49772203	35823282
	(c) Other current liabilities	7	10624028	9021134
	(d) Short-term provisions		-	-
			<b>96261866</b>	<b>98756342</b>
	<b>TOTAL</b>		<b>274322805</b>	<b>256951062</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	8	130001837	91306234
	(ii) Capital work-in-progress		2261989	33311727
			<b>132263826</b>	<b>124617961</b>
	(b) Non-current investments	9	487982	487982
	(c) Deferred tax assets (net)			
	(d) Long-term loans and advances	10	13445318	7392546
	(e) Other non-current assets		-	-
			146197126	132498488
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	11	13258207	43089056
	(b) Trade receivables	12	77273434	50467631
	(c) Cash and cash equivalents	13	10052455	5319677
	(d) Short-term loans and advances	14	27541584	25576210
	(e) Other current assets		-	-
			128125680	124452574
	<b>TOTAL</b>		<b>274322805</b>	<b>256951062</b>
	<b>Accounting Policies</b>	1		
	<b>Notes to The Accounts</b>	2 to 23		

In terms of our report attached.

**For KOTHARI JAIN & ASSOCIATES**

Chartered Accountants  
FIRM REG.NO. 113041W

**For and on behalf of the Board of Directors**

**SHARAT DEORAH**  
Chairman & Managing Director

**SIDDHARTHA DEORAH**  
Wholetime Director

**SUNIL KUMAR KOTHARI**  
PROPRIETOR  
M. NO. 043842

**AMIT SHAH**  
Chief Financial Officer

**SHANU PATANIA**  
Company Secretary

Place : Mumbai  
Date : 30.05.2017

Place : Mumbai  
Date : 30.05.2017

**Statement of Profit and Loss for the year ended 31st March, 2017**

Particulars		Note	year ended 31.03.2017	year ended 31.03.2016
			Amount in ₹	Amount in ₹
<b>A</b>	<b>CONTINUING OPERATIONS</b>			
1	Revenue from operations (gross)	15	370030775	294542858
	Less: Excise duty		15283365	15395704
	Revenue from operations (net)		354747410	279147154
2	<b>Other income</b>	16	5341424	4193833
3	<b>Total revenue (1+2)</b>		<b>360088834</b>	<b>283340987</b>
4	<b>Expenses</b>			
	(a) Cost of materials consumed	17.a	200635819	162301415
	(b) Purchases of stock-in-trade	17.b	131000	1479908
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	17.c	23416210	17616375
	(d) Employee benefits expense	18	30808431	25192355
	(e) Finance costs	19	10726388	15550537
	(f) Depreciation and amortisation expense		8638232	6829215
	(g) Other expenses	20	56500524	45552268
	<b>Total expenses</b>		<b>330856604</b>	<b>274522073</b>
5	<b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		29232230	8818914
6	Exceptional items		0	0
7	<b>Profit / (Loss) before extraordinary items and tax (5 + 6)</b>		29232230	8818914
8	Extraordinary items		0	0
9	<b>Profit / (Loss) before tax (7 + 8)</b>		<b>29232230</b>	<b>8818914</b>
10	<b>Tax expense:</b>			
	(a) Current tax expense for current year		0	0
	(b) (Less): MAT credit (where applicable)		0	0
	(c) Current tax expense relating to prior years		0	0
	(d) Net current tax expense			
	(e) Deferred tax		15197840	0
11	<b>Profit / (Loss) from continuing operations (9 +10)</b>		14034390	8818914

<b>B</b>	<b>DISCONTINUING OPERATIONS</b>			
<b>12.i</b>	Profit / (Loss) from discontinuing operations (before tax)		0	0
<b>12.ii</b>	Gain / (Loss) on disposal of assets/settlement of liabilities attributable to the discontinuing operations		0	0
<b>12.iii</b>	Add / (Less): Tax expense of discontinuing operations (a) on ordinary activities attributable to the discontinuing operations (b) on gain / (loss) on disposal of assets/ settlement of liabilities		0	0
<b>13</b>	<b>Profit / (Loss) from discontinuing operations (12.i + 12.ii + 12.iii)</b>		0	0
	<b>TOTAL OPERATIONS</b>			
<b>14</b>	<b>Profit / (Loss) for the year (11 + 13)</b>		14034390	8818914
<b>15</b>	<b>Earnings per share (of Rs 10/- each):</b>			
	(a) Basic			
	(i) Continuing operations		2.25	1.41
	(ii) Total operations		2.25	1.41
	(b) Diluted			
	(i) Continuing operations		2.25	1.41
	(ii) Total operations		2.25	1.41
	Accounting policies	1		
	Notes to the Accounts	2 to 23		

In terms of our report attached.

**For KOTHARI JAIN & ASSOCIATES**

Chartered Accountants

FIRM REG.NO. 113041W

**For and on behalf of the Board of Directors**

**SHARAT DEORAH**

Chairman & Managing Director

**SIDDHARTHA DEORAH**

Wholetime Director

**SUNIL KUMAR KOTHARI**

PROPRIETOR

M. NO. 043842

**AMIT SHAH**

Chief Financial Officer

**SHANU PATANIA**

Company Secretary

Place : Mumbai

Date : 30.05.2017

Place : Mumbai

Date : 30.05.2017



**Cash Flow Statement for the year ended 31st March, 2017**

Particulars	For the year ended 31.03.2017		For the year ended 31.03.2016	
	Amount	Amount	Amount	Amount
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		29232230		8818914
<i>Add: Adjustments for:</i>				
Depreciation and amortisation	8638232		6829215	
Finance costs	10726388	19364620	15550537	22379752
		48596850		31198666
Less: Adjustment for:				
Interest income	644712		771657	
Profit on sale of Machinery				
Dividend income	2412		2387	
		647124		774044
Operating profit / (loss) before working capital changes		47949726		30424622
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	29830849		12761392	
Trade receivables	(26805803)		34373668	
Short-term loans and advances	(1965374)		4366591	
Long-term loans and advances	(6052772)		(1271173)	
Other current assets	0		0	
Other non-current assets	0	(4993100)		50230478
		42956626		80655100
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	13948921		734395	
Other current liabilities	1602894		(2586085)	
Other long-term liabilities				
Short-term provisions				
Long-term provisions				
		15551816		(1851690)
		58508441		78803411
Cash flow from extraordinary items		0		0
Cash generated from operations		58508441		78803411
Net income tax (paid) / refunds		0		0
<b>Net cash flow from / (used in) operating activities (A)</b>		58508441		78803411

<b>B. Cash flow from investing activities</b>			
Capital expenditure on fixed assets, including capital advance	(16284098)		(25221301)
Proceeds from sale of fixed assets			0
Interest received			
- Others	644712		771657
Dividend received			
- Others	2412		2387
		(15636974)	(24447257)
Net income tax (paid) / refunds		0	0
Net cash flow from / (used in) investing activities (B)		<b>(15636974)</b>	<b>(24447257)</b>
<b>C. Cash flow from financing activities</b>			
Proceeds from long-term borrowings	(9366011)		(2854325)
Repayment of long-term borrowings			
Net increase / (decrease) in working capital borrowings	(18046291)		(35002912)
Proceeds from other short-term borrowings			
Repayment of other short-term borrowings			
Finance cost	(10726388)		(15550537)
		(38138690)	(53407774)
Cash flow from extraordinary items		0	0
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(38138690)</b>	<b>(53407774)</b>
<b>Net increase/(decrease) in Cash &amp; cash equivalents (A+B+C)</b>		4732777	948380
Cash and cash equivalents at the beginning of the year		5319678	4371298
<b>Cash and cash equivalents at the end of the year</b>		<b>10052455</b>	<b>5319678</b>

In terms of our report attached.

**For KOTHARI JAIN & ASSOCIATES**

Chartered Accountants

FIRM REG.NO. 113041W

**For and on behalf of the Board of Directors**

**SHARAT DEORAH**

Chairman & Managing Director

**SIDDHARTHA DEORAH**

Wholetime Director

**SUNIL KUMAR KOTHARI**

PROPRIETOR

M. NO. 043842

**AMIT SHAH**

Chief Financial Officer

**SHANU PATANIA**

Company Secretary

Place : Mumbai

Date : 30.05.2017

Place : Mumbai

Date : 30.05.2017

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31<sup>st</sup>, 2017

### Note I. SIGNIFICANT ACCOUNTING POLICIES

i. Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention on an accrual basis of accounting and in accordance with Generally Accepted Accounting Principles in India (“Indian GAAP”) and are in conformity with mandatory accounting standards, as specified in the Companies (Accounting Standards) Rules, 2006 (as amended) as prescribed by the Central Government under section 133 of the companies Act 2013 (Act), read with rule 7 of the Companies 2014.

ii. Revenue Recognition

Sales and other Income are accounted on accrual basis and are taken to be inclusive of excise duty but excluding sales tax.

Export incentive/benefits are accounted on accrual basis.

Custom duty benefits in the form of Advance license entitlements are recognized on the export of goods and set off from material cost.

Dividend Income on investments is accounted for when the right to receive the payment is established.

iii. Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. All costs including financial costs which are specifically attributable to the asset are capitalized. Capital Work in Progress includes expenditure incurred during the year and yet to capitalized.

Leasehold land is shown at cost including lease premium paid.

iv. Depreciation

Deprecation on the fixed assets over the useful life in the manner prescribed in schedule II of the Act, as against the earlier practice of depreciating at the rate prescribed in schedule XIV of the companies Act 1956.

v. Investment

Investments are classified into Current and long term Investments. Current Investments are stated at lower of cost and Fair Market Value. Long-term investments are stated at cost.

vi. Inventories

Inventories are valued on FIFO basis as under:

- |                     |                                          |
|---------------------|------------------------------------------|
| 1) Raw Material     | - At Cost                                |
| 2) Work In progress | - At Cost                                |
| 3) Finished Goods   | - Lower of Cost or Net realizable Value. |
| 4) Stores & Spares  | - Treated as fully consumed.             |

vii. Government grants

Lump sum capital subsidies, not relating to any specific fixed assets, received from State Government for setting up projects are accounted as Capital Reserve in the year of receipt.

viii. Foreign Exchange Transaction

Foreign Exchange Transactions are recorded at exchange rates prevailing on the dates of the respective transactions. Current Assets and Liabilities in foreign currency as at the Balance Sheet date are translated at the year end exchange rates. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the profit and loss account.

ix. Employees Benefits

The liability for Leave Encashment is provided for as per actuarial valuation however Gratuity has not been provided.

x. Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets up to the date when they are ready for their intended use and other borrowing costs are charged to Profit and Loss Account.

xi. Taxation:

Provision for Taxation is determined on the basis of the Taxable profits computed for the current accounting period in accordance with the Income Tax, 1961.

Deferred tax resulting from timing difference between book profit and taxable profit for the year is calculated by using the tax rates and laws that have been enacted as on the Balance Sheet Date. The deferred tax assets is recognized and carried forward only to the extent that there is a certainty that the asset will be adjusted in future.

Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognized as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Company and the assets can be measured reliably.

xii. Contingent Liabilities

Claims against the Company not acknowledged as debts are treated as Contingent Liabilities. Provision in respect of contingent liabilities if any, is made when it is probable that a liability may be incurred and the amount can be reasonably estimated.

xiii. Earning per share:

The basic earnings per share (EPS) is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earning per share, net profit after tax for the year and the weighted number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares).

**Note 2 Share capital**

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number of shares	Amount	Number of shares	Amount
<b>(a) Authorised</b>				
Equity shares of Rs 10 each	7,000,000	70,000,000	7,000,000	70,000,000
<b>(b) Issued, Subscribed and fully paid up</b>				
Equity shares of Rs 10 each	6,232,500	62,325,000	6,232,500	62,325,000
<b>Total</b>	<b>6,232,500</b>	<b>62,325,000</b>	<b>6,232,500</b>	<b>62,325,000</b>

**Notes:**

[a] Reconciliation of the number of shares outstanding at the beginning and at the end of the year

	Equity shares			
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	6232500	62325000	6232500	62325000
Shares issued during the year	Nil	Nil	Nil	Nil
Shares bought back during the year	Nil	Nil	Nil	Nil
Redemption of shares	Nil	Nil	Nil	Nil
Shares outstanding at the end of the year	6232500	62325000	6232500	62325000

[b] Shares in the Company held by each Shareholder holding more than 5% shares

	Number	%	Number	%
Siddhartha Deorah	391850	6.287%	370286	5.941%
Auro Impex Private Limited	1168781	18.753%	1168781	18.753%
Meena Deorah	0	0.000%	628755	10.088%
Sharat Deorah	1164100	18.678%	514481	8.255%

**Note 3 Reserves and Surplus**

Capital Reserve Account			
State Cash Subsidy		1500000	1500000
Share Premium Account		5175000	5175000
<b>Total</b>		<b>6675000</b>	<b>6675000</b>
<b>Profit &amp; Loss Account</b>			
As per Last Balance Sheet		16866810	8047896
Net Profit/(Loss) for the year		14034390	8818914
Amount available for appropriation		30901200	16866810
Appropriations:			
Dividend		-	-
Income Tax		-	-
Closing Balance		30901200	16866810
<b>Total</b>		<b>37576200</b>	<b>23541810</b>

**Note 4: Long-term borrowings**

Particulars	As at 31.03.2017	As at 31.03.2016
	Amount	Amount
<b>Secured Loans</b>		
(b) Term loan from Bank		
From banks	13631681	-
(e) Loans and advances from related parties		
Unsecured	49330218	72327910
<b>Total</b>	<b>62961899</b>	<b>72327910</b>

1. Term Loans from Allahabad Banks are secured by mortgage of immovable assets, both present and future.

**Note 5 Short-term borrowings**

<b>(a) Loans repayable on demand</b>		
From banks		
Secured	35865635	53911926
<b>Total</b>	<b>35865635</b>	<b>53911926</b>

**Notes:**

1. The Working Capital facilities from Allahabad bank are secured by Hypothecation of all types of Stock and book debts.
2. There is no default in repayment of loans and interest.

**Note 6 Trade payables**

<b>Trade payables:</b>		
Acceptances		
Other than Acceptances	49772203	35823282
<b>Total</b>	<b>49772203</b>	<b>35823282</b>

**Note 7 Other current liabilities**

(a) Current maturities of long-term debt	-	-
(b) Interest accrued but not due on borrowings	-	-
(c) Interest accrued and due on borrowings	-	-
(d) Other payables	-	-
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	847272	421678
(ii) Payables on purchase of fixed assets	1404394	2377704
(iii) Contractually reimbursable expenses	3161355	2960785
(iv) Others (specify nature)	5211007	3260966
<b>Total</b>	<b>10624028</b>	<b>9021134</b>



Note 8 Fixed assets												
A.	Tangible assets	Gross block				Depreciation/Amortisation/Impairment				Net Block		
		Balance as at 1st April, 2016	Additions	Sales/ Adjustments	Balance as at 31st March, 2017	Balance as at 1st April, 2016	For the year	Deductions/ adjustments	Balance as at 31st March, 2017	Balance as at 31st March, 2017	Balance as at 31st March, 2016	
	(a) Land											
	Freehold	-	-	-	-	-	-	-	-	-	-	-
	Leasehold	439701			439701	111081	4397	-	115478	324223	328620	
	(b) Factory Buildings	20894784	4547271		25442055	7800774	805665	-	8606439	16835616	13094010	
	(c) Office Buildings	7019447			7019447	1555977	111141	-	1667118	5352329	5463470	
	(d) Roads	337634			337634	337634	0	-	337634	0	0	
	(e) Plant and Equipment	106849604	35946722	5025810	137770516	39342915	5738760	4660185	40421490	97349026	67506689	
	(f) Furniture and Fixtures	10089583	2083563		12173146	7284381	807623	-	8092004	4081142	2805202	
	(g) Vehicles	659132			659132	623415	0	-	623415	35717	35717	
	(h) Computers	1527678	526153		2053831	1386430	201021	-	1587451	466380	141248	
	(i) Miscellaneous Assets	781635	61173		842808	549384	43571	-	592955	249853	232251	
	(j) Laboratory Equipment	6357073	4534580		10891653	4658049	926054	-	5584103	5307550	1699024	
	Total	154956271	47699462	5025810	197629923	63650040	8638232	4660185	67628087	130001837	91306234	
	Previous year	154852146	104125		154956271	56820825	6829215	-	63650040	91306234	98031321	

**Note 9 Non-current investments**

Particulars	As at 31.03.2017	As at 31.03.2016
	Total	Total
	Amount in ₹	Amount in ₹
Long Term at cost, unless otherwise specified		
<b>A. Trade Investments</b>		
(a) Quoted:		
680 Shares of Zee Entertainment Enterprises Ltd. face value of ₹ 1/- each	484982	484982
178 Equity Shares of Dish TV limited	-	-
155 Equity shares of Siti Cable Network Limited	-	-
140 Equity Shares of Zee Media Corporation Limited	-	-
85 Equity Shares Zee Learn Ltd.		
1428 Zee entertainment 6% non convertible Pref. Shares		
<b>Total (A)</b>	484982	484982
(b) Unquoted		
35 (5) Shares of worli Ind. Properties Limited of face value of ₹ 100/- each (of the above)	3000	3000
5 shares were issued on purchase of assets and included in the value of asset.		
<b>Total (B)</b>	3000	3000
<b>Total (A+B)</b>	487982	487982
Aggregate amount of quoted investments	484982	484982
Aggregate market value of listed and quoted investments	412518	303516
Aggregate amount of unquoted investments	3000	3000

**Note 10 Long-term loans and advances**

(a) Security deposits		
With Government Bodies	948787	948787
With others	468138	233138
(b) MAT Credit Entitlements	12028393	6210621
(c) Taxes	-	-
<b>Total</b>	13445318	7392546



**Note 11 Inventories** (At lower of cost and net realisable value)

Particulars	As at 31.03.2017	As at 31.03.2016
	Amount in ₹	Amount in ₹
(a) Raw materials	10727597	17235008
(b) Work-in-progress	1000000	22950260
(c) Finished goods (other than those acquired for trading)	1105500	2571450
(d) Stores and spares	425110	332338
<b>Total</b>	<b>13258207</b>	<b>43089056</b>

**Note 12 Trade receivables**

Unsecured considered good		
Over six months	719226	769129
Others	76554208	49698502
<b>Total</b>	<b>77273434</b>	<b>50467631</b>

**Note 13 Cash and cash equivalents**

(a) Cash on hand	10632	4778
(b) Balances with banks		
(i) In current accounts	4966744	516204
(ii) In deposit accounts		
- Balances held as margin money or security against borrowings, guarantees and other commitments	5075079	4798695
<b>Total</b>	<b>10052455</b>	<b>5319677</b>

**Note 14 Short-term loans and advances**

(a) Prepaid expenses - Unsecured, considered good	371620	327537
(b) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit and other incentive receivable	14001743	10863111
(ii) VAT credit receivable	9716221	11751576
(c) Inter-corporate deposits		
Unsecured, considered good	-	-
Doubtful	749633	749633
(d) Others (specify nature)		
Unsecured, considered good	2702367	1884353
Doubtful	-	-
<b>Total</b>	<b>27541584</b>	<b>25576210</b>

**Note 15 Revenue from operations**

	Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
		Amount in ₹	Amount in ₹
(a)	Sale of products @ (Refer Note (i) below)	358806620	292273155
(b)	Other operating revenues (Refer Note (ii) below)	11224155	2269703
		370030775	294542858
(c)	Less: Excise duty	15283365	15395704
	<b>Total</b>	<b>354747410</b>	<b>279147154</b>
Note (i)	Sale of products comprises		
	Manufactured goods		
	Metformin HCL & CRZ	358629380	290536275
	<b>Total - Sale of manufactured goods</b>	<b>358629380</b>	<b>290536275</b>
	Traded goods	177240	1736880
	<b>Total - Sale of traded goods</b>	<b>177240</b>	<b>1736880</b>
	<b>Total - Sale of products</b>	<b>358806620</b>	<b>292273155</b>
Note (ii)	Other operating revenues # comprise:		
	Sale of scrap	-	-
	Duty drawback and other export incentives	3684495	2269703
	M E I S incentives	7539660	-
	<b>Total - Other operating revenues</b>	<b>11224155</b>	<b>2269703</b>

**Note 16 Other income**

(a)	Interest income (Refer Note (i) below)	644712	771657
(b)	Dividend income:		
	from long-term investments		
	others	2412	2387
(c)	Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	88376	6203
(d)	Net Foreign Exchange Gain	4605924	3413587
	<b>Total</b>	<b>5341424</b>	<b>4193833</b>
Note (i)	Interest income comprises:		
	Interest from banks on:		
	deposits	374363	503481
	Others	270349	268176
	<b>Total - Interest income</b>	<b>644712</b>	<b>771657</b>
Note (ii)	Other non-operating income comprises:		
	Misc. Receipts	3784	4525
	Sundry Balance W/off	0	1047
	Profit on sale of fixed assets	79727	0
	Commission Recd.	4865	631
	<b>Total - Other non-operating income</b>	<b>88376</b>	<b>6203</b>

**Note 17. a Cost of materials consumed**

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
	Amount in Rs	Amount in Rs
Opening stock	17567346	12712363
Add: Purchases	194221180	167156398
Less: Closing stock	11152707	17567346
Cost of material consumed	200635819	162301415
<b>Total</b>	<b>200635819</b>	<b>162301415</b>

**Note 17. b Purchase of traded goods**

Traded good	131000	1479908
<b>Total</b>	<b>131000</b>	<b>1479908</b>

**Note 17. c Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Inventories at the end of the year:		
Finished goods	1105500	2571450
Work-in-progress	1000000	22950260
Stock-in-trade	-	-
	<b>2105500</b>	<b>25521710</b>
Inventories at the beginning of the year:		
Finished goods	2571450	8438000
Work-in-progress	22950260	34700085
Stock-in-trade	25521710	43138085
<b>Net (increase) / decrease</b>	<b>23416210</b>	<b>17616375</b>

**Note 18 Employee benefits expense**

Salaries and wages	26271688	22890427
Contributions to provident and other funds	396301	337113
Staff welfare expenses	445442	427315
Director Remuneration	3650000	1500000
Directors Setting Fees	45000	37500
<b>Total</b>	<b>30808431</b>	<b>25192355</b>

**Note 19 Finance costs**

(a) Interest expense on:		
(i) Borrowings	4383666	9091778
(ii) Others - on unsecured loans	6342722	6458759
<b>Total</b>	<b>10726388</b>	<b>15550537</b>

**Note 20 Other expenses**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	Amount in ₹	Amount in ₹
Consumption of stores and spare parts	1486763	1318668
Power and fuel	11732057	9306213
Water	1165818	943309
Repairs and maintenance - Buildings	908881	821787
Repairs and maintenance - Machinery	1492487	1269422
Repairs and maintenance - Others	325067	235304
Insurance	634968	322267
Rates and taxes	1046665	366801
Communication	507974	335406
Travelling and conveyance	2937676	2612502
Printing and stationery	1293098	953674
Freight and forwarding	5629948	6499863
Commission & Brokerage	399574	89755
Laboratory Chemicals	1695849	1070212
Factory and Office Expenses	6448876	5499449
Bank Charges	1034217	1030115
Profession Tax (Company)	2500	2500
Profession Tax (Directors)	10000	10000
Export Expenses	5597776	5931215
Donations and contributions	2555000	37000
Legal and professional	2583594	1580165
Payments to auditors (Refer Note (i) below)	125000	75000
Miscellaneous expenses	6886736	5241643
<b>Total</b>	<b>56500524</b>	<b>45552268</b>

**Note 20 Other expenses (contd.)**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	Amount in ₹	Amount in ₹
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	125000	75000
For taxation matters	-	-
For company law matters	-	-
<b>Total</b>	<b>125000</b>	<b>75000</b>

**Note 21 Disclosures under Accounting Standards**

Note	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
		Amount in ₹	Amount in ₹
30.5	Details of borrowing costs capitalised Borrowing costs capitalised during the year - as fixed assets / intangible assets / capital work-in-progress - as inventory	-	-

**Note 22 Specified Bank Notes (SBN) held and transacted during the period 08/11/16 to 30/12/16**

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on 08.11.2016	349000	13615	362615
(+) Cash withdrawn from Bank	-	846000	846000
(-) permitted payments	-	799944	799944
(-) amount deposited in banks	349000	-	349000
Closing Cash in Hand as on 30.12.2016	-	59671	59671

**23. Notes on Financial Statements:**

**I. CONTINGENT LIABILITIES AND COMMITMENTS**

	<b>2017</b>	<b>2016</b>
A. Contingent liabilities and commitments	32378445	27763657
B. Claims against the Company not acknowledged As debts	Nil	Nil
C. Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil

II. The Income Tax Assessments of the Company have been completed up to Assessment year 2013-14.

**III. EARNINGS PER SHARE (EPS)**

<b>Earnings</b>		
Net Profit for the year (net of taxes)	13922176	8818914
<b>Shares</b>		
Number of equity shares at the beginning of the Year	6232500	6232500
Number of Equity shares outstanding at the end of The year	6232500	6232500
Weighted average number of equity shares Outstanding during the year	6232500	6232500
Earning per share of par value ₹ 10 - Basic	₹ 2.23	1.42
- Diluted	₹ 2.23	1.4

**IV. RELATED PARTY DISCLOSURES**

A] Related parties where control exists or where significant influence exists and with whom transaction have taken place during the year.

Associate Company

1. Auro Impex Pvt. Limited

Key Management personnel Represented on the board

1. Shri Sharat Deorah - Managing director
2. Shri Siddhartha Deorah - Director

Non Executive/Independent Directors on the Board

1. Shri Kailash Chandra Bubna
2. Shri Goverdhandas Aggarwal
3. Mrs. Kavita V. Sharma

B] The following is a summary of significant related party transactions:

1.	Salary Paid to Director	3650000	1500000
2.	Interest paid to Auro Impex Pvt. Limited	4424615	4317467
3.	Loan received from Auro Impex limited	Nil	Nil
4.	Loan paid to Auro Impex limited	19435410	7300000
	Phalguni Enclave Private Limited	NIL	14342268
5.	The Company has the following amounts due to related parties:		
	Auro Impex Pvt. limited	30000000	49435410
	Phalguni Enclave Private Limited	Nil	Nil
	Mr. Sharat Deorah	Nil	6300000
	Mr. Siddhartha Deorah	Nil	1200000

#### V. RAW MATERIAL CONSUMED DURING THE YEAR

4 Chloro 2 Amino	27746771	14766945
Dicyanadiamide	73002336	71050646
Dimethylamine HCL	55162969	46307252
Methanol	10771272	7601418
Furnace oil	Nil	386310
Packing Material	9736145	7848777
Acetic Acid	788035	784395
Caustic Soda	577075	508126
Urea	1479694	1180488
Xylene	962861	1872945
Briquettes	11513446	9408930
Other	2480576	585183
<b>Total</b>	<b>194221180</b>	<b>162301415</b>

#### VI. DETAILS OF IMPORTED AND INDIGENOUS RAW MATERIALS, SPARES AND PACKING MATERIAL CONSUMED:

Raw Material		
Imported	73002336	71050646
Indigenous	121218844	91250769

#### VII. CIF VALUE OF IMPORTS

Raw Material	73002339	71050646
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**VIII. EARNINGS IN FOREIGN CURRENCY**

Exports on FOB/CIF/CNF Basis	211307000	138559186
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**IX. EXPENDITURE IN FOREIGN CURRENCY**

Traveling	1033330	867350
Commission on Export	Nil	Nil

**X. SEGMENT INFORMATION**

Based on the guiding principles given in the Accounting Standard 17 on "Segment Reporting" issued by The Institute of Chartered Accountants of India, the Company is a single segment Company engaged in the business of Bulk Drugs.

**XI. DEFERRED TAX ASSETS/ LIABILITIES**

A]	Deferred Tax Assets		
	a] Carried forward Losses	0	0
	b] Unabsorbed Depreciation	0	8430049
	Total A	0	8430049
B]	Deferred Tax Liabilities		
	a] Fixed Assets WDV	43911703	39493867
	<b>Deferred Tax Liabilities/ Assets [A-B]</b>	<b>(15197840)</b>	<b>(31063818)</b>

No provision has been made for the deferred tax assets/ liabilities in books of accounts till 31<sup>st</sup> March 2016.

**XII. Previous year's figures have been regrouped, rearranged and reclassified wherever necessary.**

**For KOTHARI JAIN & ASSOCIATES**  
Chartered Accountants  
FIRM REG.NO. 113041W

**For and on behalf of the Board of Directors**

**SUNIL KUMAR KOTHARI**  
**PROPRIETOR**  
M. NO. 043842

**SHARAT DEORAH**  
Chairman & Managing Director

**SIDDHARTHA DEORAH**  
Wholetime Director

**AMIT SHAH**  
Chief Financial Officer

**SHANU PATANIA**  
Company Secretary

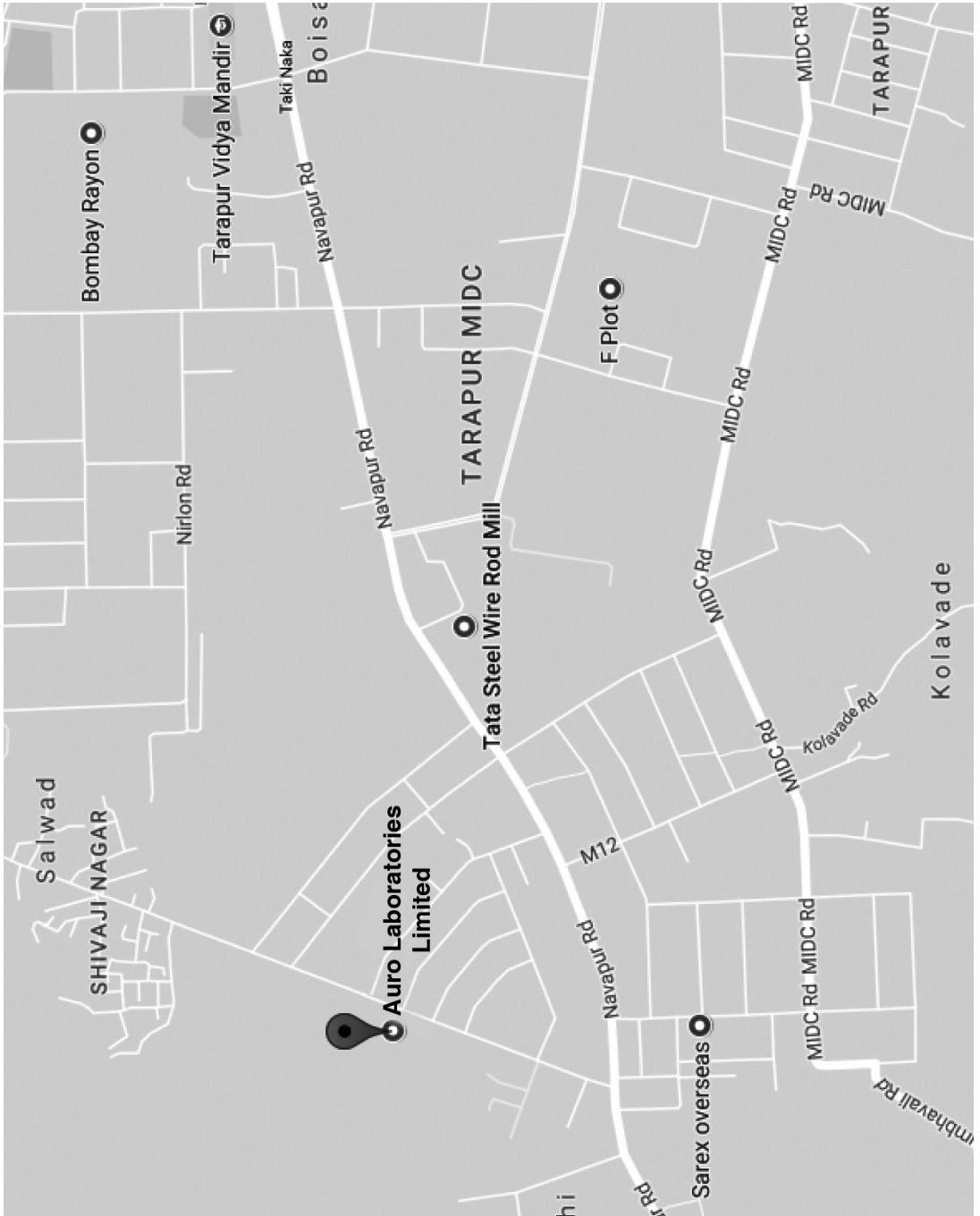
Place : Mumbai  
Date : 30.05.2017

Place : Mumbai  
Date : 30.05.2017





This route map of Annual General Meeting  
Venue: K-56, M.I.D.C., Boisar, Tarapur, Thane - 401 506.



**AURO LABORATORIES LIMITED**

Regd. Office : K56, M.I.D.C, TARAPUR INDUSTRIAL AREA, THANE - 401506  
 Tel. No.: +91-22-6663 5456 (4 Lines) Fax : +91-22-6663 5460;  
 Email Id : auro@aurolabs.com ; Website : www.aurolabs.com  
 CIN : L33125MH1989PLC051910

**ATTENDANCE SLIP**

DP ID*	
--------	--

Folio No.	
-----------	--

Client ID*	
------------	--

No. of Share(s)	
-----------------	--

Name & Address of Shareholder: .....

I/We hereby record my / our presence at the 28<sup>th</sup> Annual General Meeting of the Company held on Friday, September 29, 2017 at 12:30 p.m at K56, M.I.D.C, Tarapur Industrial Area, Thane - 401506.

Signature of Shareholder / Proxy

\* Applicable for investors holdings shares in electronic form.

**FORM NO. MGT-11**

**PROXY FORM**

[Pursuant to the section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014.

CIN : L33125MH1989PLC051910  
 Name of the Company : AURO LABORATORIES LIMITED  
 Registered Office : K56, M.I.D.C, TARAPUR INDUSTRIAL AREA, THANE - 401506  
 Email Id : auro@aurolabs.com  
 Website : www.aurolabs.com  
 Name of the Member(s) :  
 Registered address :  
 E-Mail Id :  
 Folio No./Client Id/DP Id :

I/We being the member(s) of ..... shares of AURO LABORATORIES LIMITED, hereby appoint:

1. Name: .....

Address: .....

E-mail Id: ..... Signature: ..... or failing him

2. Name: .....

Address: .....

E-mail Id: ..... Signature: ..... or failing him

3. Name: .....

Address: .....

E-mail Id: ..... Signature: ..... or failing him

and as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28<sup>th</sup> Annual General Meeting of the Company, to be held on **Friday, September 29, 2017 at 12:30 p.m** at **K56, M.I.D.C, Tarapur Industrial Area, Thane - 401506** and at any adjournment thereof in respect of such resolutions as are indicated below:



Resolution No.	Particulars	For	Against
Ordinary Business			
1.	To approve and adopt Audited Financial Statement, for the year ended 31 <sup>st</sup> March, 2017 and reports of the Board of Directors and Auditors thereon.		
2.	Re-appointment of Mr. Siddhartha Deorah, (DIN: 00230796) who retires by rotation.		
3.	Appointment of M/s. Khurdia Jain & Co., Chartered Accountants in place of M/s. Kothari Jain & Associates, Chartered Accountants, as Statutory Auditors of the Company and fixing their remuneration.		
Special Business			
4.	Appointment of Mr. Sharat Deorah as Chairman & Managing Director of the Company.		
5.	Appointment of Mr. Siddhartha Deorah as Whole Time Director of the Company.		
6.	Determind the fees for delivery of any document.		

Affix Revenue Stamp of ₹1
------------------------------------

Signed this..... day of .....2017.

Signature of Shareholder: \_\_\_\_\_

Signature of Proxy holder(s): \_\_\_\_\_

**Note:**

- (1) This form duly completed should be deposited at the Registered Office of the Company Not later than 48 hours before the commencement of 28<sup>th</sup> Annual General Meeting of the Company.
- (2) For the resolution, Explanatory Statement and Notes, please refer to Notice of the Annual General Meeting.
- (3) Please put 'X' in the appropriate column against a resolutions indicated in the box. If you leave the "FOR" or "AGAINST" column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (4) A proxy need not be a member of the Company.
- (5) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.