

# ANNUAL REPORT 2017-2018



**AURO**  
Laboratories Limited



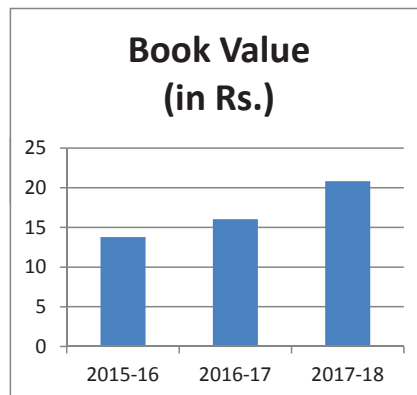
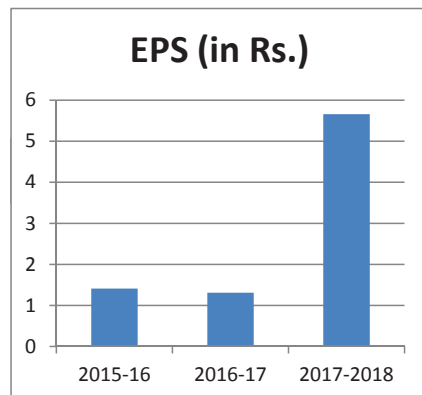
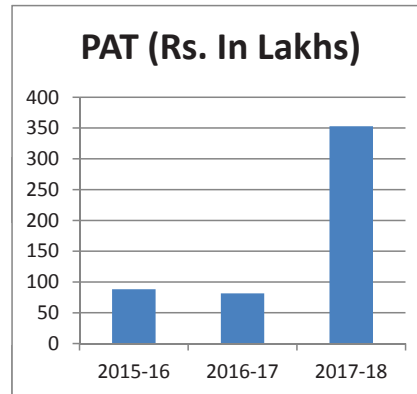
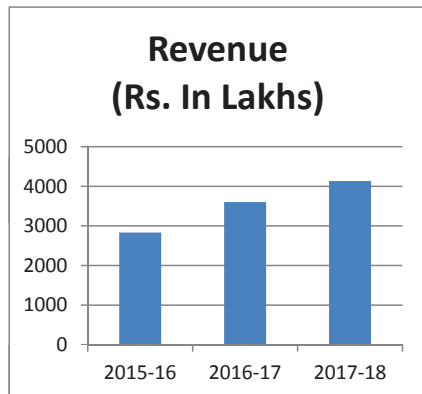
## API PRODUCTS

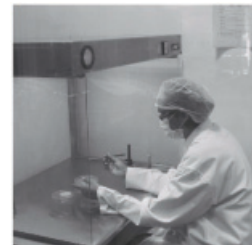
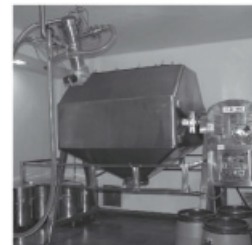
**Metformin Hydrochloride**

**Chlorzoxzone**

**Chlorphenamine Maleate**

### Performance Indicators





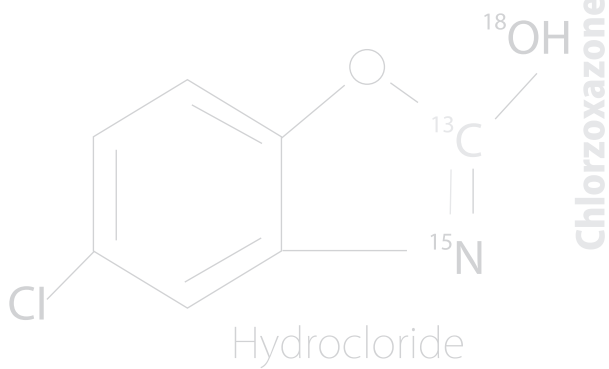
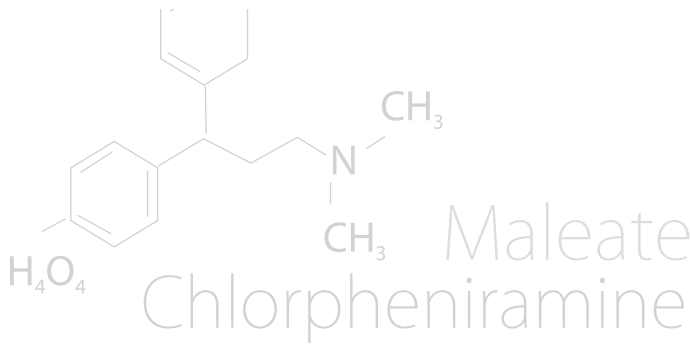
Active Pharmaceutical Ingredients

Sustainable Quality

EUGMP

EDQM Inspecte



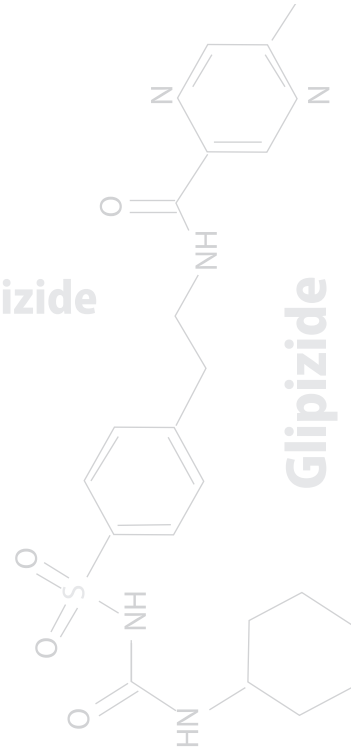


**Metformin Hydrochloride**

Metformin Hydrochlorid

**Gliclazide**

**Glipizide**



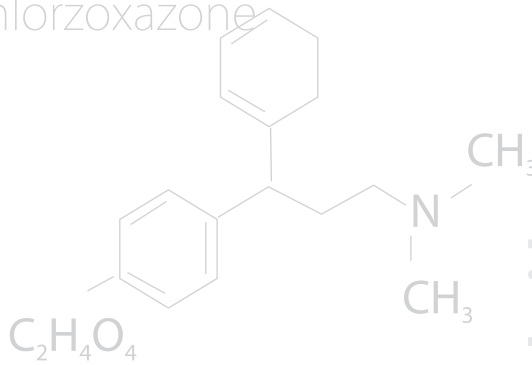
**Glipizide**



Metformin  
Metformin  
Chlorzoxazone

**Chlorzoxazone**

Chlorzoxazone



**Gliclazide**

**Gliclazide**

**Glimepiride**

**Corporate office :**

314, T.V. Industrial Estate, S.K. Ahire Marg, Worli, Mumbai 400030, India

Tel : + 9122 6663 5456 | Fax : + 91 22 6663 5460

E-Mail : auro@aurolabs.com

www.aurolabs.com

**Registered Office /  
Manufacturing Unit:**

K-56, M.I.D.C Tarapur, Maharashtra – 401 506 , India

CIN No. L33125MH1989PLC051910

**Glibenclamide**

**Glibenclamide**



**AURO LABORATORIES LIMITED**  
**C.I.N.: L33125MH1989PLC051910**

**BOARD OF DIRECTORS:**

Sharat Deorah	Chairman & Managing Director
Siddhartha Deorah	Whole Time Director
Govardhandas Aggarwal	Independent Director
Kailash Chand Bubna	Independent Director
Kavita Sharma	Director

**COMPANY SECRETARY:**

Shanu Nag	Company Secretary
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**REGISTERED OFFICE & FACTORY:**

K-56, M.I.D.C., Industrial Area, Tarapur,  
Boisar, Dist. Palghar – 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. Khurdia Jain & Co.  
Chartered Accountants

**SECRETARIAL AUDITORS:**

GMJ & Associates  
Company Secretaries

**BANKERS:**

Allahabad bank, Fort Branch, Mumbai.

**REGISTRAR & SHARE TRANSFER AGENT:**

Purva Share Registry India Pvt. Ltd.  
9 Shiv Shakti Indl Estate,  
J. R. Boricha Marg, Opp. Kasturba Hospital,  
Lower Parel (East),  
Mumbai – 400 011.  
Tel: 022-23012518 / 23016761  
Email: [support@purvashare.com](mailto:support@purvashare.com)  
Web: [www.purvashare.com](http://www.purvashare.com)

## INDEX

<b>Sr. No.</b>	<b>Contents</b>	<b>Page No.</b>
1.	Notice to Members	1
2.	Director Report & Annexure	9
3.	Independent Auditors Report	37
4.	Balance Sheets	44
5.	Statement of Profit & Loss	45
6.	Cash Flow Statement	46
7.	Notes on Financial Statements	47
8.	Proxy Form	71
9.	Road Map	73

**NOTICE TO THE MEMBERS**

**NOTICE** is hereby given that the 29<sup>th</sup> Annual General Meeting (AGM) of the Members of **AURO LABORATORIES LIMITED** will be held on Saturday, September 29, 2018 at 11:30 a.m. at the registered office of the Company situated at K-56, M.I.D.C. Industrial Area, Tarapur, Boisar, Dist. Palghar, Maharashtra – 401 506 to transact, the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2018, including the audited Balance Sheet as at March 31, 2018, the Statement of Profit and Loss & Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Kavita Vijaykant Sharma (DIN 07139910) who retires by rotation and being eligible, offers herself for re-appointment.

**SPECIAL BUSINESS:**

3. Approval of re-appointment of Mr. Govardhan Das Agarwal (DIN: 00545428), Independent Director for a second term of 5 consecutive years, existing term expires on March 31, 2019.

To consider and if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Govardhan Das Agarwal (DIN: 00545428), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of five consecutive years with effect from April 1, 2019 to March 31, 2024.

**RESOLVED FURTHER THAT** any one of the Directors of the Company be and are hereby severally authorized to do all such acts, deeds and matters as may be deemed necessary to give effect to this resolution.”

4. Approval of re-appointment of Mr. Kailash Bubna (DIN: 01877773), Independent Director for a second term of 5 consecutive years, existing term expires on March 31, 2019.

To consider and if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Kailash Bubna (DIN: 01877773), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of five consecutive years with effect from April 1, 2019 to March 31, 2024.



**RESOLVED FURTHER THAT** any one of the Directors of the Company be and are hereby severally authorized to do all such acts, deeds and matters as may be deemed necessary to give effect to this resolution.”

**Registered Office:**  
K-56, M.I.D.C,  
Tarapur Industrial Area,  
Palghar – 401 506.  
Date: August 13, 2018.

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 26, 2018 to September 29, 2018** (both days inclusive).
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.

**Purva Share Registry India Pvt. Ltd.**

9 Shiv Shakti Indl Estate, J. R. Boricha Marg, Opp. Kasturba Hospital,  
Lower Parel (East), Mumbai – 400 011.  
Tel: 022-23012518 / 23016761  
Email: support@purvashare.com  
Web: [www.purvashare.com](http://www.purvashare.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 they have communicated their 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, 2018.**
- (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, 2018** 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, 2018** may obtain the User ID and password from PURVA SHARE REGISTRY 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.aurolabs.com](http://www.aurolabs.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, 2018.**
- (x) The instructions for shareholders voting electronically are as under:
  - (i) The voting period begins at 9.00 a.m. (IST) on **September 26, 2018** and ends at 5.00 p.m. (IST) on **September 28, 2018**. 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, 2018** 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,  
Palghar – 401 506.  
Date: August 13, 2018.

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. 3 & 4:**

Mr. Govardhan Das Agarwal and Mr. Kailash Bubna were appointed as Independent Directors of the company for five consecutive years from April 1, 2014 upto March 31, 2019, by the Members of the Company in the AGM held on September 6, 2014.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of five consecutive years on the Board of a Company.

Based on performance evaluation and recommendations of Nomination and Remuneration Committee and in terms of the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Act and the Listing Regulations, Mr. Govardhan Das Agarwal and Mr. Kailash Bubna, being eligible for re-appointment as Independent Directors offer themselves for re-appointment, are proposed to be re-appointed as Independent Directors for another term of five consecutive years from April 1, 2019 upto March 31, 2024.

In the opinion of the Board, Mr. Govardhan Das Agarwal and Mr. Kailash Bubna fulfill the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Listing Regulations for their re-appointment as Independent Non-Executive Director of the Company and are independent of the management. Copy of the draft letter for appointment of Mr. Govardhan Das Agarwal and Mr. Kailash Bubna as Independent Non-Executive Directors setting out terms and conditions would be available for inspection without any fee by the members at the Office of the Company during working days between 11:00 a.m. to 1:00 p.m. upto and including the date of AGM of the Company.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Govardhan Das Agarwal and Mr. Kailash Bubna as Independent Directors of the Company.

Accordingly, the Board recommends the Special Resolutions in relation to eligibility and re-appointment of Mr. Govardhan Das Agarwal and Mr. Kailash Bubna as Independent Directors of the Company for another term of five consecutive years with effect from April 1, 2019 upto March 31, 2024, for the approval of Members.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. Govardhan Das Agarwal and Mr. Kailash Bubna for their respective appointment, are concerned or interested, financially or otherwise, in these Resolutions.

**Registered Office:**  
K-56, M.I.D.C,  
Tarapur Industrial Area,  
Palghar – 401 506.  
Date: August 13, 2018.

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. Govardhan Das Agarwal</b>	<b>Mr. Kailash Bubna</b>	<b>Mrs. Kavita Sharma</b>
<b>Directors Identification Number (DIN)</b>	00545428	01877773	07139910
<b>Brief resume &amp; Nature of expertise in specific functional areas</b>	Mr. Govardhan Das Agarwal is a B. Com. Graduate, has an experience of over 35 years in the field of Marketing & Administration to his credit and is associated with the Company since March 1, 2004	Mr. Kailash Bubna, is associated with the Company since July 14, 2009 and has an experience of over 25 years in the field of Administration to his credit.	Mrs. Kavita Sharma, is associated with the Company since March 27, 2015 and has an experience of over 10 years in the field of Marketing
<b>Disclosure of relationship between directors inter-se</b>	Not Applicable	Not Applicable	Not Applicable
<b>Names of listed entities in which the person also holds the directorship</b>	NIL	NIL	NIL
<b>No. of Shares held in the Company</b>	Nil	Nil	Nil
<b>Membership &amp; Chairmanships of Committees of the Board</b>	<ul style="list-style-type: none"> <li>- Audit Committee</li> <li>- Nomination &amp; Remuneration Committee</li> <li>- Stakeholders Relationship Committee</li> </ul>	<ul style="list-style-type: none"> <li>- Audit Committee (Chairperson)</li> <li>- Nomination &amp; Remuneration Committee (Chairperson)</li> <li>- Stakeholders Relationship Committee (Chairperson)</li> </ul>	<ul style="list-style-type: none"> <li>- Nomination &amp; Remuneration Committee</li> </ul>

**DIRECTORS' REPORT TO THE SHAREHOLDERS**

Your Directors have great pleasure in presenting the Twenty-ninth (29<sup>th</sup>) Annual Report, together with the Audited Financial Statements of the Company for the financial year ended March 31, 2018.

**1. FINANCIAL HIGHLIGHTS:**

[Amount in Lakhs except EPS]

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Revenue from operation (Net of tax)	4079.40	3547.47
Other Income	51.39	53.41
Total Income	4130.79	3600.88
Profit before Finance Cost and Depreciation	674.70	485.96
Less: Finance Cost	108.85	107.26
Less: Depreciation & Amortization expenses	93.11	86.38
Profit Before Tax	472.73	292.32
Provision for -- Current Tax	127.34	58.82
-- Deferred Tax	(7.56)	151.98
Net Profit After Tax	352.95	81.52
Other Comprehensive Income (Net of tax)	4.63	1.12
Total Comprehensive Income After Tax	357.58	82.64
Earing Per Share (EPS)	5.66	1.31

**2. OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE:**

During the year, your Company has performed well in terms of revenue and profit. The Company has achieved total revenue of Rs.4130.79 Lakhs as against Rs.3600.88 Lakhs in the previous year. The Profit after tax was Rs.352.95 Lakhs as against Profit of Rs.81.52 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:**

To consolidate the financial position of the Company, the Board does not propose any dividend for the year ended March 31, 2018.

**4. TRANSFER TO RESERVES:**

No amount is proposed to be transferred to Reserves out of the profits earned during the Financial Year 2017-2018.

**5. PUBLIC DEPOSIT:**

The Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Rules framed thereunder.

## 6. SHARE CAPITAL OF THE COMPANY:

The Paid up Equity share Capital, as at March 31, 2018 was Rs.6,23,25,000/- divided into 62,32,500 Equity shares, having face value of Rs.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.

## 7. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

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

## 8. CHANGE IN THE NATURE OF BUSINESS:

There was no change in the nature of business activities during the financial year 2017-18.

## 9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The details of loans, advances and/or guarantee provided by the Company and investments as per section 186 of the Companies Act, 2013, which are required to be disclosed in the annual accounts of the Company pursuant to Regulation 34 (3) read with Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations) are provided in Notes to the Financial statements.

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

### a) DIRECTORS

#### i) Composition:

The Board of Directors includes the Executive, Non-Executive and Independent Directors so as to ensure proper governance and management. Besides the Chairman & Managing Director, who is an Executive Director, the Board comprises One (1) Executive Director, Two (2) Non-Executive Independent Directors and One (1) Non-Executive Woman Director as on March 31, 2018.

#### ii) Re-appointments:

Based on performance evaluations and recommendations of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the Listing Regulations, the Board recommends re-appointment of Mr. Govardhan Das Agarwal and Mr. Kailash Bubna as Independent Directors for another term of five consecutive years with effect from April 1, 2019 to March 31, 2024, for the approval of Members.

In accordance with the provisions of Section 152 (6) of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Kavita Sharma, Director of the Company, retires by rotation, and being eligible, has offered herself for reappointment.

#### iii) Key Managerial Personnel:

The Company is having the following persons as the Key Managerial Personnel.

Sr. No.	Name of Personnel	Designation
1.	Mr. Sharat Deorah	Chairman and Managing Director
2.	Mr. Siddhartha Deorah	Whole-time Director
4.	Mr. Amit Shah	Chief Financial Officer
5.	Ms. Shanu Nag	Company Secretary



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

**11. DECLARATION BY INDEPENDENT DIRECTORS:**

Pursuant to the provisions of Section 149(7) of the Companies Act, 2013, Independent Directors have submitted declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and there has been no change in the circumstances which may affect their status as independent director during the year.

**12. 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.

**13. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:**

The Board of Directors of your Company met 5 (Five) times during the Year i.e. on May 30, 2017, August 14, 2017, October 16, 2017, November 30, 2017 and February 7, 2018 and the gap between two meetings did not exceed the statutory period laid down by the Companies Act, 2013 and the Secretarial Standard-I issued by the Institute of Company Secretaries of India i.e. One hundred twenty days. The necessary quorum was present for all the meetings.

The Attendance of the Directors of the Company at the Board meetings is as under:

Name of the Members	Category	Board Meetings Dates (2017-2018)					No. Meetings Entitled to Attended	No. of Meetings Attended	Last AGM Attended
		May 30, 2017	Aug 14, 2017	Oct 16, 2017	Nov 30, 2017	Feb 7, 2018			
Mr. Sharat Deorah	Executive Director	Yes	Yes	Yes	Yes	Yes	5	5	Yes
Mr. Siddhartha Deorah	Executive Director	Yes	Yes	Yes	Yes	Yes	5	5	Yes
Mr. Govardhan Das Agarwal	Non-Executive Independent	Yes	Yes	Yes	Yes	Yes	5	5	Yes
Mr. Kailash Chand Bubna	Non-Executive Independent	Yes	Yes	Yes	Yes	Yes	5	5	Yes
Mrs. Kavita Sharma	Non-Executive	Yes	Yes	Yes	Yes	Yes	5	5	Yes

**14. 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.

#### 15. COMMITTEES OF THE BOARD:

Currently the Board has 3 (three) Committees: Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee. The Composition of various committees and compliances, as per the applicable provisions of the Companies Act, 2013 and the Rules thereunder and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are as follows:

##### 15.1 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 Regulation 18 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. All the members have financial and accounting knowledge.

The Audit Committee acts in accordance with the terms of reference specified from time to time by the Board.

The Committee met Four (4) times during the year on May 30, 2017, August 14, 2017, November 30, 2017 and February 7, 2018 the gap between two meetings did not exceed one hundred twenty days. The necessary quorum was present for all the meetings.

The composition of the Audit Committee and the details of meetings attended by its members are given below:

Name of the Members	Category	Audit Committee Meetings Dates (2017-2018)				No. Meetings Entitled to Attended	No. of Meetings Attended
		May 30, 2017	Aug 14, 2017	Nov 30, 2017	Feb 7, 2018		
Mr. Kailash Chand Bubna	Chairperson Non-Executive Independent	Yes	Yes	Yes	Yes	4	4
Mr. Govardhan Das Agarwal	Independent Non-Executive	Yes	Yes	Yes	Yes	4	4
Mr. Siddhartha Deorah	Executive Director	Yes	Yes	Yes	Yes	4	4

##### 15.2 NOMINATION & REMUNERATION COMMITTEE:

The Company is having "Nomination and Remuneration Committee" comprising of three qualified members (i.e. Two (2) Non-Executive Independent Directors and One (1) Non-Executive Director) in accordance with Section 178 of Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

The role of the committee has been defined as per section 178(3) of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Committee met Three (3) times during the year on May 30, 2017, October 16, 2017 and February 7, 2018. The necessary quorum was present at the meeting.

The composition of the Nomination and Remuneration Committee and the details of meetings attended by its members are given below:

Name of the Members	Category	NRC Meetings Dates (2017-2018)			No. Meetings Entitled to Attended	No. of Meetings Attended
		May 30, 2017	Oct 16, 2017	Feb 7, 2018		
Mr. Kailash Chand Bubna	Chairperson Non-Executive Independent	Yes	Yes	Yes	3	3
Mr. Govardhan Das Agarwal	Independent Non-Executive	Yes	Yes	Yes	3	3
Mrs. Kavita Sharma	Non-Executive	Yes	Yes	Yes	3	3

**Nomination and Remuneration Policy:**

- To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
- No Director/KMP/ other employee is involved in deciding his or her own remuneration.
- The trend prevalent in the similar industry, nature and size of business is kept in view and given due weightage to arrive at a competitive quantum of remuneration.
- It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance benchmarks which are unambiguously laid down and communicated.
- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.
- **Following criteria are also to be considered:-**
- Responsibilities and duties;
- Time & efforts devoted;
- Value addition;
- Profitability of the Company & growth of its business;
- Analyzing each and every position and skills for fixing the remuneration yardstick;
- Standards for certain functions where there is a scarcity of qualified resources.
- Ensuring tax efficient remuneration structures.
- Ensuring that remuneration structure is simple and that the cost to the Company (CTC) is not shown inflated and the effective take home remuneration is not low.
- Other criteria as may be applicable.
- Consistent application of remuneration parameters across the organisation.
- Provisions of law with regard making payment of remuneration, as may be applicable, are complied.
- Whenever, there is any deviation from the Policy, the justification /reasons should also be indicated / disclosed adequately.

### 15.3 STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Company is having 'Stakeholders Relationship Committee' in accordance with the provisions of Section 178 of the Companies Act, 2013 Regulation 20 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The role and functions of the Stakeholders Relationship Committee are the effective redressal of grievances of shareholders, debenture holders and other security holders including complaints related to transfer of shares, non-receipt of balance sheet, Non-receipt of declared dividends. The Committee overviews the steps to be taken for further value addition in the quality of service to the investors.

The Company has designated the e-mail ID: auro@aurolabs.com exclusively for the purpose of registering complaint by investors electronically. This e-mail ID is displayed on the Company's website i.e. <http://www.aurolabs.com>.

The following table shows the nature of complaints received from the shareholders during the years 2017-2018.

Nature of Complaints	No. of complaints received during the year 2017-2018	No. of Complaints Resolved
Non receipt of Dividend Warrant	1	1
Non receipt of Annual Report	1	1
Non receipt of Share Certificate after transfer	--	--
SEBI	2	2
<b>Total</b>	<b>4</b>	<b>4</b>

There were no complaints pending as on March 31, 2018.

The Committee met Four (4) times during the year on May 30, 2017, August 14, 2017, November 30, 2017 and February 7, 2018. The necessary quorum was present at the meeting.

The composition of the Stakeholders Relationship Committee and the details of meetings attended by its members are given below

Name of the Members	Category	Audit Committee Meetings Dates (2017-2018)				No. Meetings Entitled to Attended	No. of Meetings Attended
		May 30, 2017	Aug 14, 2017	Nov 30, 2017	Feb 7, 2018		
Mr. Kailash Chand Bubna	Chairperson Non-Executive Independent	Yes	Yes	Yes	Yes	4	4
Mr. Govardhan Das Agarwal	Independent Non-Executive	Yes	Yes	Yes	Yes	4	4
Mr. Siddhartha Deorah	Executive Director	Yes	Yes	Yes	Yes	4	4

### 15.4 INDEPENDENT DIRECTORS MEETING:

As stipulated by the Code of Independent Directors under Schedule IV of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of the Company shall hold at least one meeting in a year without the presence of Non Independent Directors and members of the management. All the independent Directors shall strive to be present at such meeting.

The independent Directors in their meeting shall, inter alia-

- (a) review the performance of non-independent Directors and the Board of Directors as a whole;
- (b) review the performance of the chairman of the listed entity, taking into account the views of executive Directors and non-executive Directors;
- (c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

Independent Directors met 1 (one) time during the year on February 7, 2018 and the meeting was attended by all Independent Directors.

**15.5 SHAREHOLDING OF NON-EXECUTIVE INDEPENDENT DIRECTORS:**

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

**16. 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.

**17. RELATED PARTY TRANSACTIONS:**

During the financial year 2017-18, 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.

**18. AUDITORS:**

**a) Statutory Auditor**

M/s. Khurdia Jain & Co., Chartered Accountants, Mumbai, were appointed as the Statutory Auditors of the Company at the 28<sup>th</sup> Annual General Meeting (AGM) held on September 29, 2017 and will hold office until the conclusion of the 33<sup>rd</sup> AGM to be held in 2022.

The first proviso to section 139(1) of the Companies Act, 2013 has been omitted vide section 40 of the Companies (Amendment) Act, 2017 notified on 7th May, 2018. Therefore, it is not mandatory for the Company to place the matter relating to appointment of statutory auditor for ratification by members at every Annual General Meeting. Hence the Company has not included the ratification of statutory auditors in the Notice of AGM.

The Report given by M/s. Khurdia Jain & Co., Chartered Accountants, on the financial statements of the Company for the financial year 2017-2018 is a part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

During the year under review, the Auditors have not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

**b) Internal Auditor**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the Board on recommendation of the Audit Committee has appointed M/s. Pokharna and Associates, as internal auditors of the Company.

**c) Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. GMJ & Associates, Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is appended as **Annexure 'B'** forms part of this report.

There has been no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Secretarial Auditors have not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3) (ca) of the Act.

**d) Cost auditor:**

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 2017-18.

**19. 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 Rs. 5 Crores during the last three immediately preceding Financial Years. Accordingly, the provisions of CSR policy were not applicable for the Financial Year 2017-18.

**20. 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 <http://www.aurolabs.com>.

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

**21. PREVENTION OF INSIDER TRADING:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

**22. 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 C**' 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.

**23. 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 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.

**24. 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.

**25. VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and Employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to

the Chairperson of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy has been posted on the website of the Company [www.aurolabs.com](http://www.aurolabs.com)

**26. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. The Company affirms that during the Year under review, no complaints were received by the Committee for redressal.

**27. 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 D**' to this Report.

**28. 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.

**29. INDIAN ACCOUNTING STANDARD:**

Pursuant to the notification, issued by the Ministry of Corporate Affairs dated February 16, 2015 relating to the Companies (Indian Accounting Standard) Rules, 2015, your Company has adopted "IND AS" with effect from April 01, 2017, with the comparatives for the periods ending March 31, 2018.

**30. GOODS AND SERVICE TAX:**

During the Financial Year, the Company has migrating to GST and has accelerate economic growth in the long run by simplifying the tax structure, enhancing tax compliances and facilitating the ease of doing business in a unified common market.

**31. 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.



**32. CORPORATE GOVERNANCE REPORT:**

Pursuant to Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, compliance with the corporate governance provisions are not applicable to your Company as the Company's paid up Equity Share Capital does not exceed of Rs.10 Crores and net worth does not exceed of Rs.25 Crores as on March 31, 2018.

**33. BUSINESS RESPONSIBILITY REPORTING:**

The Business Responsibility Reporting as required by Regulation 34(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is not applicable to the Company for the financial year ending March 31, 2018.

**34. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:**

The Management's Discussion and Analysis Report for the Year under review, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to this report as '**Annexure E**'

**35. THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

There are no significant / material orders passed by the Regulators or courts or Tribunals impacting the going concern status of your Company and its operations in future.

**36. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATES AND THE DATE OF THE REPORT:**

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 i.e. March 31, 2018.

**37. LISTING:**

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

**38. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS:**

The Company has complied with secretarial standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

**39. ACKNOWLEDGEMENT:**

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,  
Palghar – 401 506.  
Date: August 13, 2018.

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 2017-2018**
**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**
**I. REGISTRATION AND OTHER DETAILS:**

i) CIN:-	<b>L33125MH1989PLC051910</b>
ii) Registration Date:-	<b>26-05-1989</b>
iii) Name of the Company:-	<b>AURO LABORATORIES LIMITED</b>
iv) Category / Sub-Category of the Company:-	<b>Company Limited by shares &amp; Indian Non Government Company</b>
v) Address of the Registered office and contact details:-	<b>K-56, M I D C, TARAPUR INDUSTRIAL AREA, PALGHAR- 401506 TEL: +91 22 66635456</b>
vi) Whether listed company	<b>Yes</b>
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>Purva Share Registry India Pvt. Ltd. 9 Shiv Shakti Indl Estate, J. R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel (East), Mumbai – 400 011. Tel: 022-23012518 / 23016761 Email: support@purvashare.com Web: www.purvashare.com</b>

**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:-**

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

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

<b>Sr. No</b>	<b>NAME AND ADDRESS OF THE COMPANY</b>	<b>CIN/GLN</b>	<b>HOLDING/ SUBSIDIARY/ ASSOCIATE</b>	<b>% of shares held</b>	<b>Applicable Section</b>
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	% of Total Shares	
<b>A. Promoter's</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	2022475	1700	2024175	32.47%	2040380	1700	2042080	32.76%	0.280%
b) Central/State Govt									
c) Bodies Corp.	1168781	0	1168781	18.75%	1168781	0	1168781	18.75%	0.000%
d) Banks / FI									
e) Any Other									
<b>Sub-total (A) (1):-</b>	<b>3191256</b>	<b>1700</b>	<b>3192956</b>	<b>51.23%</b>	<b>3209161</b>	<b>1700</b>	<b>3210861</b>	<b>51.51%</b>	<b>0.280%</b>
<b>(2) Foreign</b>									
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>0.00%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0.000%</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>3191256</b>	<b>1700</b>	<b>3192956</b>	<b>51.23%</b>	<b>3209161</b>	<b>1700</b>	<b>3210861</b>	<b>51.51%</b>	<b>0.280%</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	400	400	0.01%	0	400	400	0.01%	0.000%
b) Banks / FI					200		200	0.00%	0.003%
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>0.01%</b>	<b>200</b>	<b>400</b>	<b>600</b>	<b>0.01%</b>	<b>0.003%</b>
<b>2. Non- Institutions</b>									
a) Bodies Corp.									
i) Indian	79787	18700	98487	1.58%	82309	18700	101009	1.62%	0.040%
ii) Overseas									
b) Individual shareholders holding									
i) upto Rs. 1 lakh	1269350	710268	1979618	31.76%	1232430	684318	1916748	30.75%	-1.009%
ii) excess of Rs 1 lakh	244312	0	244312	3.92%	306110	0	306110	4.92%	0.992%
c) Others									
Clearing Member	39695	0	39695	0.63%	13580	0	13580	0.22%	-0.420%
OCB	0	0	0		0	0	0		
NRI	282332	394700	677032	10.86%	292892	390700	683592	10.96%	0.105%
<b>Sub-total (B)(2):-</b>	<b>1,915,476</b>	<b>1,123,668</b>	<b>3,039,144</b>	<b>48.77%</b>	<b>1,927,321</b>	<b>1,093,718</b>	<b>3,021,039</b>	<b>48.49%</b>	<b>-0.280%</b>
<b>Total shareholding of Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>1,915,476</b>	<b>1,124,068</b>	<b>3,039,544</b>	<b>48.77%</b>	<b>1,927,521</b>	<b>1,094,118</b>	<b>3,021,639</b>	<b>48.49%</b>	<b>-0.280%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>5,106,732</b>	<b>1,125,768</b>	<b>6,232,500</b>	<b>100.00%</b>	<b>5,136,682</b>	<b>1,095,818</b>	<b>6,232,500</b>	<b>100.00%</b>	<b>0.000%</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	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	AURO IMPEX PRIVATE LIMITED	1168781	18.753	0	1168781	18.753	0	0
2	SHARAT DEORAH	1164100	18.678	0	116 4100	18.678	0	0
3	SIDDHARTHA DEORAH	391850	6.287	0	406060	6.515	0	0.228
4	SAMRIDHI DEORAH	237496	3.811	0	241191	3.87	0	0.059
5	SHARAT DEORAH (HUF)	229029	3.675	0	229029	3.675	0	0
6	SUMAN BHUWANIA	1700	0.027	0	1700	0.027	0	0

**iii) Change in Promoters' Shareholding**

Sl No.		Shareholding at the beginning of the year (As on 01-04-2017)		Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3136114	50.32	3192956	51.23
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc.	# As per details below			
	At the End of the year	3136114	50.32	3192956	51.23

# Inter-se Transfer among Promoters and Market Purchases by Promoter

Sr. No	Shareholder's Name	Shareholding at the Beginning of the Year			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	SIDDHARTHA DEORAH	391850	6.287	01/04/2017				
				14/04/2017	6210	Purc hase	398060	6.387
				17/11/2017	8000	Purchase	406060	6.515
				31/3/2018			406060	6.515
2	SAMRIDHI DEORAH	237496	3.811	01/04/2017				
				07/04/2017	3695	Purchase	241191	3.87
				31/03/2018			241191	3.87

## iv) Shareholding pattern of top ten Shareholders (other than Directors, promoters and Holders of GDRs and ADRs):

Sr. No	Name	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	% of total Shares of the company
1	JAYSHREE VINOD SHAH	200000	3.209	01-04-2017				
				31-03-2018		No Change	200000	3.209
2	KIRTI LABEN JAYANTILAL MEHTA	195000	3.129	01-04-2017				
				31-03-2018		No Change	195000	3.129
3	SHIKHA LOHIA	74100	1.189	01-04-2017				
				26-05-2017	10000	Buy	84100	1.349
				11-08-2017	1000	Buy	85100	1.365
				08-09-2017	3074	Buy	88174	1.415
				06-10-2017	259	Buy	88433	1.419
				13-10-2017	1250	Buy	89683	1.439
				27-10-2017	1600	Buy	91283	1.465
				17-11-2017	161	Buy	91444	1.467
				26-01-2018	2943	Buy	94387	1.514
				02-02-2018	1600	Buy	95987	1.54
				23-03-2018	139	Buy	96126	1.542
				31-03-2018			96126	1.542
4	BANKIM C SHAH	50000	0.802	01-04-2017				
				31-03-2018		No Change	50000	0.802
5	JAYESH LABHSHANKER MEHTA	67791	1.088	01-04-2017				
				07-04-2017	-1000	Sold	66791	1.072
				19-05-2017	-2300	Sold	64491	1.035
				26-05-2017	-500	Sold	63991	1.027
				02-06-2017	-500	Sold	63491	1.019
				09-06-2017	-593	Sold	62898	1.009
				16-06-2017	-800	Sold	62098	0.996
				23-06-2017	-1008	Sold	61090	0.98
				14-07-2017	-1400	Sold	59690	0.958
				21-07-2017	-15	Sold	59675	0.957
				28-07-2017	-900	Sold	58775	0.943
				10-11-2017	-135	Sold	58640	0.941
				15-12-2017	-910	Sold	57730	0.926
				22-12-2017	-3757	Sold	53973	0.866
				29-12-2017	-2854	Sold	51119	0.82
				05-01-2018	-1000	Sold	50119	0.804
				12-01-2018	-1000	Sold	49119	0.788
				02-02-2018	-2000	Sold	47119	0.756
				09-02-2018	-1000	Sold	46119	0.74
				16-02-2018	-1299	Sold	44820	0.719
				02-03-2018	-2500	Sold	42320	0.679
				16-03-2018	-1000	Sold	41320	0.663
				31-03-2018			41320	0.663

6	PARTH INFIN BROKERS (P) LTD.	0	0	01-04-2017				
				26-05-2017	7066	Buy	7066	0.113
				30-06-2017	-2639	Sold	4427	0.071
				07-07-2017	6470	Buy	10897	0.175
				14-07-2017	14264	Buy	25161	0.404
				21-07-2017	12803	Buy	37964	0.609
				28-07-2017	11510	Buy	49474	0.794
				04-08-2017	-9258	Sold	40216	0.645
				11-08-2017	-10663	Sold	29553	0.474
				18-08-2017	-13173	Sold	16380	0.263
				22-09-2017	-2288	Sold	14092	0.226
				30-09-2017	-1590	Sold	12502	0.201
				24-11-2017	-11501	Sold	1001	0.016
				01-12-2017	23296	Buy	24297	0.39
				08-12-2017	4212	Buy	28509	0.457
				05-01-2018	-3498	Sold	25011	0.401
				12-01-2018	-227	Sold	24784	0.398
				02-02-2018	10000	Buy	34784	0.558
				09-02-2018	-5000	Sold	29784	0.478
				02-03-2018	4563	Buy	34347	0.551
				09-03-2018	-8427	Sold	25920	0.416
				31-03-2018			25920	0.416
7	SALIL R SHAH	10446	0.168	01-04-2017				
				21-07-2017	4254	Buy	14700	0.236
				18-08-2017	6000	Buy	20700	0.332
				01-09-2017	5000	Buy	25700	0.412
				31-03-2018			25700	0.412
8	KIRTI RAJESH SHAH	0	0	01-04-2017				
				09-06-2017	4978	Buy	4978	0.08
				23-06-2017	22	Buy	5000	0.08
				20-10-2017	15396	Buy	20396	0.327
				31-03-2018			20396	0.327
9	SUNIL KOTHARI	18753	0.301	01-04-2017				
				07-04-2017	-750	Sold	18003	0.289
				31-03-2018			18003	0.289
10	SURAJKANWARI RAMNIWAS KASAT	16959	0.272	01-04-2017				
				31-03-2018		No Change	16959	0.272
11	PHALGUNI ENCLAVE PVT LTD	14232	0.228	01-04-2017				
				31-03-2018		No Change	14232	0.228
12	SAUMIT JAYESH MEHTA	12500	0.201	01-04-2017				
				31-03-2018		No Change	12500	0.201
13	ADD VALUE FINANCIAL SERVICES LLP	16900	0.271	01-04-2017				
				17-11-2017	-6900	Sold	10000	0.16
				01-12-2017	-6000	Sold	4000	0.064
				22-12-2017	-4000	Sold	0	0
				31-03-2018			0	0

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

Sr. No	Shareholders 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	Siddhartha Deorah	391850	6.287	01-04-2017				
				14-04-2017	6210	Buy	398060	6.387
				17-11-2017	8000	Buy	406060	6.515
				31-03-2018			406060	6.515

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	49,497,316.00	49,330,218.00	-	98,827,534.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	49,497,316.00	49,330,218.00	-	98,827,534.00
<b>Change in Indebtedness during the financial year</b>				
• Addition	28,299,484.00	-	-	28,299,484.00
• Reduction	16,012,450.00	19,130,218.00	-	35,142,668.00
<b>Net Change</b>	12,287,034.00	-	-	(6,843,184.00)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	61,784,350.00	30,200,000.00	-	
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>61,784,350.00</b>	<b>30,200,000.00</b>	-	<b>91,984,350.00</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	4,500,000.00	4,500,000.00	9,000,000.00
	(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	-	-	
	<b>Total (A)</b>	<b>4,500,000.00</b>	<b>4,500,000.00</b>	<b>9,000,000.00</b>
	<b>Ceiling as per the Act</b>	<b>6,000,000.00</b>	<b>6,000,000.00</b>	<b>12,000,000.00</b>

**B. Remuneration to other directors:**

Sr. No	Particulars of Remuneration	Name of the Director			Total Amount
		Goverdhan Das Agarwal	Kailash Chand Bubna	Kavita Sharma	
1	Independent Directors				
	• Fee for attending board committee meetings	12,500.00	12,500.00	12,500.00	37,500.00
	• Commission				
	• Others, please specify				
	<b>Total (1)</b>	<b>12,500.00</b>	<b>12,500.00</b>	<b>12,500.00</b>	<b>37,500.00</b>
2	Other Non-Executive Directors				
	• Fee for attending board committee meetings				
	• Commission				
	• Others, please specify				
	<b>Total (2)</b>	-	-	-	-
	<b>Total (B)=(1+2)</b>	<b>12,500.00</b>	<b>12,500.00</b>	<b>12,500.00</b>	<b>37,500.00</b>
	Total Managerial Remuneration				
	Overall Ceiling as per the Act	Rs. One Lakh per Meeting per Director			



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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Amit Shah (CFO)	Shanu Nag (Secretary)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	935,973.00	267,241.00	1,203,214.00
	(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	-	-	-
	<b>Total</b>	<b>935,973.00</b>	<b>267,241.00</b>	<b>1,203,214.00</b>

**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					

**Registered Office:**  
K-56, M.I.D.C,  
Tarapur Industrial Area,  
Palghar – 401 506.  
Date: August 13, 2018.

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

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

**Annexure 'B' To Director's Report**  
**Form No.MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018**  
(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 M I D C Tarapur Industrial Area,  
Palghar – 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, 2018** 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, 2018** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder.
- ii. The Companies Amendment Act, 2017 (to the extent notified).
- iii. The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;
- iv. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder
- v. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable.
- vi. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz
  - a) The 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **[Not applicable during the period of audit]**

- f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **[Not applicable during the period of audit]**
  - g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[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]**
- vii. 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.

We report that the Company operates in manufacturing of Bulk Drugs; 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 report during the conduct of the audit, in our opinion, adequate systems exist in the Company to monitor and ensure compliance with general laws like various labour laws, 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 are no changes in the compositions of the 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.

As informed, the Company has responded appropriately to notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

For **GMJ & ASSOCIATES**  
Company Secretaries

Sd/-

**[MAHESH SONI]**

PARTNER

FCS: 3706          COP: 2324

PLACE: MUMBAI

DATE: AUGUST 13, 2018.

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,  
Palghar – 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

Sd/-

**[MAHESH SONI]**

PARTNER

FCS: 3706

COP: 2324

PLACE: MUMBAI

DATE: AUGUST 13, 2018.

**Annexure 'C' To Director's Report****A] DISCLOSURE IN DIRECTORS' REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH THE RULES 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014**

1. The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2017-18.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Designation</b>	<b>Ratio of Remuneration of each Director to Median Remuneration of Employees</b>
1	Mr. Sharat Deorah	Managing Director	7:1
2	Mr. Siddhartha Deorah	Whole-time Director	7:1
3	Mr. Govardhan Das Agarwal	Director	NIL
4	Mr. Kailash Chand Bubna	Director	NIL
5	Mrs. Kavita V Sharma	Director	NIL

2. The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any in the financial year 2017-18 compared to 2016-17 means part of the year.

<b>Sr. No.</b>	<b>Name of Director/CFO/CEO/CS/MGR</b>	<b>Designation</b>	<b>% Increase in Remuneration</b>
1	Mr. Sharat Deorah	Managing Director	137
2	Mr. Siddhartha Deorah	Whole-time Director	157
3	Mr. Govardhan Das Agarwal	Director	NIL
4	Mr. Kailash Chand Bubna	Director	NIL
5	Mrs. Kavita V Sharma	Director	NIL
6	Mr. Amit Shah	CFO	16.57
7	Ms. Shanu Nag	CS	6.64

3. Percentage increase in the median remuneration of employees in the financial year 2017-18 compared to 2016-17:- 10%
4. Number of permanent employees on the rolls of the Company as on March 31, 2018 :- 67
5. Average percentile increase in the salaries of employees other than managerial personnel:-10% to 18%.

**Note:**

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**B] STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH THE RULES 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE YEAR ENDED MARCH 31, 2018.**

- a) Employed throughout the financial year and was in receipt of remuneration for the year in aggregate of not less than Rs.1,02,00,000/- per annum : - **Nil**
- b) Employed for a part of the financial year and was in receipt of remuneration at a rate in aggregate not less than Rs.8,50,000/- per month : - **Nil**
- c) The percentage of equity shares held by the employee in the Company within the meaning of Clause (iii) of sub rule (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 : - **Not Applicable**

**Registered Office:**  
K-56, M.I.D.C,  
Tarapur Industrial Area,  
Palghar – 401 506.  
Date: August 13, 2018.

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

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

**Annexure 'D' To Director's Report****CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**

Information as per Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year 2017-2018.

**A. CONSERVATION OF ENERGY:**

1. the steps taken or impact on conservation of energy:

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.

Total energy consumption and under energy consumption per unit of the production as

<b>Particulars</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>I. ELECTRICITY</b>		
a. Purchase Unit (in Lakhs)	13.37	13.84
i. Total Amount (Rs. In Lakhs)	128.92	112.51
ii. Rate / Unit (Rs.)	9.64	8.13
b. Own generation (through diesel Generator)	NIL	NIL

<b>II. LIGHT DIESEL OIL LDO/ FURNACE OIL / BRIQUETTE</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>(For Production) Quantity (Ltr./kg. In Lakhs)</b>		
a. LDO Ltr.	0.11	0.078
b. FURNACE OIL Ltr.	0.28	0
c. BRIQUETTES Kg.	15.65	17.83
<b>Total Amount (Rs. In Lakhs)</b>		
a. LDO	7.48	4.81
b. FURNACE OIL	6.55	0
c. BRIQUETTES	116.00	115.13
Average rate per Ltr. /Kg. (Rs.)		
a. LDO Ltr.	68	61.67
b. FURNACE OIL Ltr.	23.40	0
c. BRIQUETTES Kg.	7.42	6.46
<b>III. CONSUMPTION PER KG. OF PRODUCTION</b>		
a. Products (Kg.)	1611408	1412805
b. Electricity (Rs.)	8.00	7.96
c. Diesel / FO / Briquette (Rs.)	8.07	8.50

- c) The steps taken by the Company for utilising alternate sources of energy: Not Applicable  
 d) The capital investment on energy conservation equipment's: Not Applicable

**TECHNOLOGY ABSORPTION: Not Applicable**

Technology absorption, adaptation and innovation

- (i) the efforts made towards technology absorption during the year under review are:  
 (ii) the benefits derived like product improvement, cost reduction, product development or import substitution:  
 (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):  
 (a) the details of technology imported  
 (b) the Year of import  
 (c) whether the technology been fully absorbed;  
 (iv) During the year Company has incurred R&D Expenditure

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

Particulars	March 31, 2018	March 31, 2017
Foreign Exchange outgo		
- CIF Value of Import:	938.25	730.02
- Foreign travelling expenses:	16.41	10.33
Foreign Exchange earned		
- FOB/CIF / CNF Value of export:	2208.18	2113.07

**Registered Office:**  
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 Palghar – 401 506.  
 Date: August 13, 2018.

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

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



**Annexure 'E' To Director's Report**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**BUSINESS OVERVIEW:**

Auro Laboratories Limited has been manufacturing and providing generic API's since its inception in 1992. Currently, the company is specialising in producing Anti Diabetics like Metformin HCl. The facility has all the required certifications from Indian authorities and European registration organization. The business has grown over the past many quarters and the results are indicative of the investments and planning done by the company over the past few years.

**OPPORTUNITIES, THREATS, OUTLOOK, RISKS AND CONCERNS:**

**Opportunities**

The company has a good opportunity as Diabetes is categorised as a fast increasing disease and some reports estimating the same to be in excess of 10 percent worldwide year on year. In view of the same, the company is well placed to grow as the demand for the product grows coupled with the fact that this product is the fundamental product to control Type 2 Diabetes.

**Threats**

There is significant competition from other Generic manufacturers both within India and foreign, however the markets and volumes are quite large.

**Strengths**

The company has an established customer base in India and in various foreign countries that will enable it to further enhance their growth.

**Outlook:**

The outlook is positive for the company considering its product mix and market conditions.

**BUSINESS & OPERATIONAL OVERVIEW:**

The highlights of the financial performance of the Company for the year under review are as under: the Total income Rs.4130.79 Lakhs as against Rs.3600.88 Lakhs in the previous year. The total expenditure during the year under review was Rs.3658.05 Lakhs as against Rs.3306.56 Lakhs in the previous year. The Net Profit after tax was Rs.352.95 Lakhs as against Rs.81.52 Lakhs in the previous year. The operational positiveness is indicated in the results mentioned above. The company is making efforts to maintain the same in the coming year.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company's defined organizational structure, documented policy guidelines and adequate internal controls ensure efficiency of operations, compliance with internal policies, applicable laws and regulations, protection of resources and assets and accurate reporting of financial transactions. The Company continuously upgrades these systems in line with best available practices.

**DEVELOPMENTS IN HUMAN RESOURCES:**

Human resources continue to be one of the critical assets of the organization. Attracting relevant talent remains the Company's key focus and continuous efforts are being made to enhance the same. It pays special attention to training, welfare and safety of its people, strengthening human capabilities.



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**CAUTIONARY STATEMENT:**

Management discussion and analysis report contains statements which are forward looking based on assumptions. Actual results may differ from those expressed or implied due to risk and uncertainties which have been detailed in this report. Several factors as listed in this report could make significant difference to the Company's operations. Investors, therefore, are requested to make their own independent judgments and seek professional advice before taking any investment decisions.

**Registered Office:**

K-56, M.I.D.C,  
Tarapur Industrial Area,  
Palghar – 401 506.  
Date: August 13, 2018.

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

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

**INDEPENDENT AUDITOR'S REPORT**  
**Auditors' Report to the Members of AURO LABORATORIES LIMITED**

**1. Report on the Financial Statements**

We have audited the accompanying Ind AS financial statements of **AURO LABORATORIES LIMITED** ("the Company"), which comprises the Balance Sheet as at 31<sup>st</sup> March 2018, the statement of Profit and Loss Account (including other Comprehensive Income), the Cash Flow statement and the statement of changes in equity 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 Ind As 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 also includes Maintance of adequate accounting records with the provision of Acts for the safeguard of the assets of the company and for preventing and detecting frauds and other irregularities selection and application of appropriate accounting policies making judgment and estimates that are reasonable and prudent and design, implementation and maintenance of internal control relevant to the preparation and presentation of the Ind AS 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 Ind AS financial statements based on our audit. We conducted our audit of the Ind AS financial statement 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 Ind AS financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the Ind AS 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 Ind AS 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 Ind AS financial statements.

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

**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 Rs. 7,49,633/-, resulting to overstatement of profit amounting to Rs. 7,49,633/- for the year**, the aforesaid Ind AS 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 Including Ind AS of the state of affairs (financial positions) of the Company as at 31<sup>st</sup> March 2018 :

- a) In the case of the balance sheet, of the state of affairs of the Company as at 31st March 2018.

- 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 of changes in equity 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, 2018, taken on record by the Board of director, None of the directors is disqualified as on March 31, 2018 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 2018 on its financial position in its Ind AS 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 **KHURDIA JAIN & CO**  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 120263 W

**[SAMPAT KHURDIA]**  
PARTNER  
M.NO. 033615

Place: Mumbai  
Date: 29<sup>th</sup> MAY 2018

**ANNEXURE “A” 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 not granted any loan secured or unsecured to Companies, firms or other parties covered in the register maintained under section 189 of the Act..  
b) The company has accepted loan secured or unsecured from Companies, firms or other parties covered in the register maintained under section 189 of the Act. In our opinion, the rate of interest and other term and condition on which the unsecured loans have been taken 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 Lakhs.
- iv) The company has not given any loans or made investments or issued any gurantee 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 **KHURDIA JAIN & CO**  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 120263 W

**[SAMPAT KHURDIA]**  
PARTNER  
M.NO. 033615

Place: Mumbai  
Date: 29<sup>th</sup> MAY 2018

**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 2018 in conjunction with our audit of the 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, 2018, 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 **KHURDIA JAIN & CO**  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 120263 W

**[SAMPAT KHURDIA]**  
PARTNER  
M.NO. 033615  
Place: Mumbai  
Date: 29<sup>th</sup> MAY 2018



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**Balance Sheet as at 31st March, 2018**

Particulars	Note	31.03.2018	31.03.2017	01.04.2016
		Amount in Rs.	Amount in Rs.	Amount in Rs.
<b>A ASSETS</b>				
<b>1 (I) Non-Current Assets</b>				
(a) Property, Plant and Equipment	2	130233292	130001839	91306234
(b) Capital Work -in-Progress		10729041	2261987	33311726
(c) Investment Property		-	-	-
(d) Financial Assets				
(i) Investments	3	487982	487982	487982
(ii) Loans		-	-	-
(iii) Others		-	-	-
(e) Other non-current assets - Capital Advance		-	-	-
<b>2 Current assets</b>				
(a) Inventories	4	14909710	13258207	43089056
(b) Financial Assets				
(i) Investments				
(ii) Trade Receivables	5	83749192	76878576	50584053
(iii) Cash and cash equivalents	6	17974450	4977376	520982
(iv) Bank balances other than (iii) above	7	4527178	5075079	4798695
(v) Loans		-	-	-
(vi) Others	8	41423981	35104436	32968756
(c) Other Current Assets		-	-	-
<b>TOTAL ASSETS</b>		<b>304034827</b>	<b>268045482</b>	<b>257067484</b>
<b>B EQUITY AND LIABILITIES</b>				
Equity				
(a) Equity Share Capital	9	62325000	62325000	62325000
(b) Other Equity	10	67452138	31805486	24033705
<b>Liabilities</b>				
(I) Non-Current Liabilities				
(a) Financial Liabilities				
(i) Other Financial Liabilities	11	61784350	49497316	53911926
(ii) Other Financial Liabilities	12	30200000	49330218	72327910
(b) Provisions		-	-	-
(c) Deferred Tax Liabilities (Net)		14441359	15197840	-
(II) Current Liabilities				
(a) Financial Liabilities				
(i) Trade Payables		-	-	-
a) Due to Micro and Small Enterprises		-	-	-
b) Due to other than Micro and Small Enterprises	13	53010906	49265594	35447809
(b) Other Current Liabilities	14	7327812	6615401	5638670
(c) Provisions	15	7493262	4008627	3382464
(d) Current Tax Liabilities (net)		-	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>304034827</b>	<b>268045482</b>	<b>257067484</b>
<b>Accounting Policies</b>	1			
<b>Notes to The Accounts</b>	2 to 22			

In terms of our report attached.

**For KHURDIA JAIN & CO**  
 Chartered Accountants  
 FIRM REG.NO. 120263W

**SAMPAT KHURDIA**  
**PARTNER**  
 M. NO. 33615

 Place : Mumbai  
 Date : 29.05.2018

**For and on behalf of the Board of Directors**
**SHARAT DEORAH**  
**Chairman & Managing Director**
**SIDDHARTHA DEORAH**  
**Whole Time Director**
**AMIT SHAH**  
**Chief Financial Officer**
**SHANU NAG**  
**Company Secretary**

 Place : Mumbai  
 Date : 29.05.2018

## Statement of Profit and Loss for the year ended 31st March, 2018

Particulars		Note	year ended	year ended
			31.03.2018	31.03.2017
			Amount in Rs.	Amount in Rs.
<b>A</b>	<b>CONTINUING OPERATIONS</b>			
<b>1</b>	Revenue from operations (gross)	16	411484654	370030775
	Less: Excise duty		3544806	15283365
	Revenue from operations (net)		407939848	354747410
<b>2</b>	Other income	17	5139179	5341424
<b>3</b>	<b>Total revenue (1+2)</b>		<b>413079028</b>	<b>360088834</b>
<b>4</b>	<b>Expenses</b>			
	(a) Cost of materials consumed	18.a	246165311	200635819
	(b) Purchases of stock-in-trade	18.b	406500	131000
	(c) Changes in inventories of finished goods, work-in-progress and stock in trade	18.c	623925	23416210
	(d) Employee benefits expense	19	36953693	30808431
	(e) Finance costs	20	10885138	10726388
	(f) Depreciation and amortisation expense	2	9310618	8638232
	(g) Other expenses	21	61460714	56500524
	<b>Total expenses</b>		<b>365805899</b>	<b>330856604</b>
<b>5</b>	<b>Profit / (Loss) before exceptional items and Tax (3 - 4)</b>		47273129	29232230
<b>6</b>	Exceptional items		-	-
<b>7</b>	<b>Profit / (Loss) before Tax (5 ± 6)</b>		47273129	29232230
<b>8</b>	<b>Tax expense:</b>			
	(a) Current tax expense for current year		12734265	5882466
	(b) (Less): MAT credit (where applicable)		-	-
	(c) Current tax expense relating to prior years		-	-
	(d) Net current tax expense		(756481)	15197840
	(e) Deferred tax			
<b>9</b>	<b>Profit / (Loss) for the period (7 ± 8)</b>		35295345	8151924
<b>10</b>	<b>Other Comprehensive Income</b>			
	a) i) Items that will not be reclassified to profit and loss		639165	166943
	ii) Income Tax relating to Items that will not be reclassified to profit and loss		(176106)	(55191)
<b>11</b>	<b>Total Comprehensive Income for the period (9 ± 10)</b>		35758404	8263676
<b>12</b>	<b>Earnings per share (of Rs 10/- each):</b>			
	Basic & Diluted (in Rs.)		5.66	1.31
	<b>Accounting policies</b>	1		
	<b>Notes to the Accounts</b>	2 to 22		

In terms of our report attached.

For and on behalf of the Board of Directors

For KHURDIA JAIN &amp; CO

Chartered Accountants

FIRM REG.NO. 120263W

SHARAT DEORAH

Chairman &amp; Managing Director

SIDDHARTHA DEORAH

Whole Time Director

SAMPAT KHURDIA

PARTNER

M. NO. 33615

AMIT SHAH

Chief Financial Officer

SHANU NAG

Company Secretary

Place : Mumbai

Date : 29.05.2018

Place : Mumbai

Date : 29.05.2018

**Cash Flow Statement for the year ended 31st March, 2018**

Particulars	For the year ended 31.03.2018		For the year ended 31.03.2017	
	Amount	Amount	Amount	Amount
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		47273129		29232230
<i>Add: Adjustments for:</i>				
Depreciation and amortisation	9310618		8638232	
Other Non Cash Items	463059		111752	
Finance costs	10885138	20658815	10726388	19476372
		67931944		48708602
<i>Less: Adjustment for:</i>				
Interest income	498643		644712	
Profit on sale of Machinery			2412	
Dividend income	5576			647124
		504219		
Operating profit / (loss) before working capital changes		67427725		48061478
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	(1651503)		29830849	
Trade receivables	(6870616)		(26294523)	
Short-term loans and advances	(6319545)		(2135680)	
Long-term loans and advances	-		-	
Other current assets	-		-	
Other non-current assets	-	(14841664)		1400646
		52586060		49462124
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	3745312		13817785	
Other current liabilities	712411		976731	
Other long-term liabilities	-			
Short-term provisions	3484635		626163	
Long-term provisions				
		7942358		15420679
		60528418		64882804
Cash flow from extraordinary items		-		-
Cash generated from operations		60528418		64882804
Net income tax (paid) / refunds		-		-
<b>Net cash flow from / (used in) operating activities (A)</b>		60528418		64882804

## Cash Flow Statement for the year ended 31st March, 2018

Particulars	For the year ended 31.03.2018		For the year ended 31.03.2017	
	Amount	Amount	Amount	Amount
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advance	(18009128)		(16284098)	
Proceeds from sale of fixed assets	-		-	
Interest received				
- Others	498643		644712	
Dividend received				
- Others	5576		2412	
		(17504910)		(15636974)
Net income tax (paid) / refunds		(12846017)		(6374361)
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(30350927)</b>		<b>(22011335)</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from long-term borrowings	1494777		(9366011)	
Repayment of long-term borrowings				
Net increase / (decrease) in working capital borrowings	(8337961)		(18046291)	
Proceeds from other short-term borrowings				
Repayment of other short-term borrowings				
Finance cost	(10885138)		(10726388)	
		(17728322)		(38138690)
Cash flow from extraordinary items		-		-
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(17728322)</b>		<b>(38138690)</b>
<b>Net increase/(decrease) in Cash &amp; cash equivalents (A+B+C)</b>		<b>12449170</b>		<b>4732779</b>
Cash and cash equivalents at the beginning of the year		10052456		5319677
<b>Cash and cash equivalents at the end of the year</b>		<b>22501626</b>		<b>10052456</b>

In terms of our report attached.

For and on behalf of the Board of Directors

**For KHURDIA JAIN & CO**

Chartered Accountants

**FIRM REG.NO. 120263W****SAMPAT KHURDIA****PARTNER****M. NO. 33615****SHARAT DEORAH****Chairman & Managing Director****SIDDHARTHA DEORAH****Whole Time Director****AMIT SHAH****Chief Financial Officer****SHANU NAG****Company Secretary**

Place : Mumbai

Date : 29.05.2018

Place : Mumbai

Date : 29.05.2018

## **1. SIGNIFICANT ACCOUNTING POLICIES**

### Description of Business

The Company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on Bombay stock exchanges in India. The registered office of the company is located at K-56 MIDC Industrial Area, Tarapur, Boisar, Dist. Palghar-401506, Maharashtra. The company is dealing in API Business.

### **A. Statement of Compliance & Basis of Preparation of Financial Statements**

The accompanying Standalone Financial Statements for the year ended March 31, 2018 have been prepared in accordance with Indian Accounting standards ('Ind AS') notified by the Ministry of Corporate Affairs in consultation with the National Advisory Committee on Accounting Standards, under section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act.

The Company has transitioned from Indian GAAP to Ind AS with effect from April 1, 2016 being the transition date as on which the opening Balance Sheet has been prepared. Accordingly, the company has prepared its financial statements to comply with Ind AS for the year ending 31 March 2018, together with comparative date as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the company's opening balance sheet was prepared as at 1 April 2016 being the date of transition to Ind AS.

These financial statements have been prepared under the historical cost convention.

The Management has assessed its liquidity position and its possible sources of funds. The Board of Directors is confident of the Company's ability to meet its obligations as and when they arise in the next twelve months from the balance sheet date. Accordingly, these financial statements have been prepared on a going concern basis.

The Company presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

- (i) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- (ii) Held primarily for the purpose of trading,
- (iii) Expected to be realised within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- (i) it is expected to be settled in normal operating cycle,
- (ii) it is held primarily for the purpose of trading,
- (iii) it is due to be settled within twelve months after the reporting period

All other liabilities are classified as non-current.

### **B. Use of Estimates and judgments:**

The preparation of financial statements in accordance with Ind AS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying

the Company's accounting policies. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**Critical Accounting Estimates made in Financial Statements:**

**i. Revenue**

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

**ii. Income Tax and Deferred Tax**

The Company's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows.

The complexity of the Company's structure makes the degree of estimation and judgment more challenging. The resolution of issues is not always within the control of the Company and it is often dependent on the efficiency of the legal processes in the relevant taxing jurisdictions in which the Company operates. Issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As a result there can be substantial differences between the tax charge in the Statement of Profit and Loss and tax payments.

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

**iii. Useful life of Property, Plant & Equipment**

The useful life used to amortize/depreciate intangible assets or property, plant and equipment respectively relates to the expected future performance of the assets acquired and management's judgment of the period over which economic benefit will be derived from the asset. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Statement of Profit and Loss.

The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

**iv. Defined benefit obligation**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various

assumptions that may differ from actual development in the future. These include determinations of the discount rate, future salary increase, mortality rates and attrition rate. Due to the complexities involved in the valuation and long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date

**v. Provisions and contingent liabilities**

The Company exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgment is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

**vi. Inventories**

Inventories held in form of traded goods, consumables and spares have been valued at cost or net realizable value whichever is lower. The cost of traded goods, stores and spares is ascertained on FIFO basis. Cost comprises all cost of purchase, non-creditable taxes and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is estimated selling price in the ordinary course of business less estimated cost necessary to make the sale.

**vii. Financial Assets**

**A. Initial recognition and measurement**

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

**B. Subsequent measurement**

a) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories is measured at FVTPL.

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company determines impairment loss based on the historical default rate and additional impairment based on Management's estimate on specific trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analyzed.



**viii. Financial liabilities**

**a) Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**b) Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**ix. Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

**C. Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

**D. Foreign Currency Transactions**

**a) Functional and presentation currency**

The financial statements of the Company are measured and presented in the currency of the primary economic environment in which the entity operates, which is the INR (its functional currency).

**b) Transactions and balances**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction.

Monetary items denominated in foreign currencies at the year-end are translated at rates prevailing as at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction.

Investments in foreign companies are recorded at the exchange rates prevailing on the date of making the investments. Contingent Liabilities are translated at closing rate.

**E. Employee Benefits**

**(i) Short Term Employee Benefits** The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

**(ii) Post employee benefits:**

**a) Defined Contribution Plan**

The Company makes contributions towards provident fund for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. Contribution to defined contribution plans are recognized as expense in the Profit and Loss Account, as they are incurred.

**b) Defined Benefit Plan and Other Long term benefit plans**

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

**F. Borrowing Cost**

Borrowing costs incurred for directly attributable to the acquisition, construction or production of qualifying asset, which are assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**G. Income Tax**

**a) Current tax**

Income tax expense represents the sum of the current tax and deferred tax.

Current tax payable or recoverable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Statement of Profit and Loss because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Company's liability for current tax is calculated using Indian tax rates and laws that have been enacted by the reporting date.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**b) Deferred Tax**

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted by the reporting date.

A deferred tax asset shall be recognized for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

Such assets and liabilities are not recognized if the temporary difference arises from the initial

recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax liabilities are not recognized to the extent they arise from the initial recognition of non-tax deductible goodwill.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Balance Sheet, if and only when,

- (a) the Company currently has a legally enforceable right to set-off the current income tax assets and liabilities, and
- (b) when the Deferred income tax assets and liabilities relate to income tax levied by the same taxation authority.

Tax is charged or credited to the Statement of Profit and Loss, except when it relates to items charged or credited to other comprehensive income/(loss) or directly to equity, in which case the tax is recognized in other comprehensive income/(loss) or in equity.

**c) Minimum Alternate Tax**

Minimum Alternate Tax ('MAT') credit entitlement is generally recognized as a deferred tax asset if it is probable (more likely than not) that MAT credit can be used in future years to reduce the regular tax liability.

**H. Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the Company's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Information on contingent liabilities is disclosed in the notes to the consolidated financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

**I. Contingent Liabilities and Contingent Assets**

Contingent Liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent Assets are neither recognised nor disclosed in the financial statements.

**J. Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to the equity shareholders, and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

#### **K. Impairment reviews**

Ind AS requires management to undertake an annual test for impairment of indefinite lived assets and, for finite lived assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Impairment testing is an area involving management judgment, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:

- i) growth in Earnings before interest, tax, depreciation and amortization (EBITDA), calculated as adjusted operating profit before depreciation and amortization;
- ii) timing and quantum of future capital expenditure;
- iii) long-term growth rates; and
- iv) selection of discount rates to reflect the risks involved.

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Company's impairment evaluation and hence results

#### **Standards issued but not yet effective**

Ind AS 115 Revenue from Contract with Customers: MCA issued Ind AS 15, Revenue from Contract with Customers, but subsequently the same has been deferred by a notification dated 30 March 2016. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The Company has evaluated the impact of Ind AS 115 on the financial statements and the same is not material.

#### **L. First- time adoption of Ind AS**

##### **a) First-time adoption of Ind AS**

These financial statements, for the year ended 31 March 2017, are the first, the Company has prepared in accordance with Ind AS. For the periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with Paragraph 7 of the Companies (Account) Rules, 2014 (Indian GAAP).

Accordingly, the company has prepared its financial statements to comply with Ind AS for the year ending 31 March 2017, together with comparative date as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the company's opening balance sheet was prepared as at 1 April 2015, the company's date of transition to Ind AS. This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

##### **b) Exemptions from retrospective application**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the below exemptions:

**c) Deemed cost for Financial assets and Intangible assets**

The company has recognized financial assets and intangible assets based on the previous GAAP carrying amounts as at the date of transition.

**d) Deemed cost for Property, Plant and Equipment (PPE), Intangible assets and investment property**

The company has elected to continue the carrying value for all its Property, plant and equipment, intangible assets and investment property as recognized in its Indian GAAP financial as deemed cost at the date of transition

**e) The remaining voluntary exemptions as per Ind AS 101 - First time adoption either do not apply or are not relevant to the Company****f) Exceptions from full retrospective application:**

The mandatory exceptions either do not apply or are not relevant to the Company.

**M. Reconciliation of differences on transition to Ind AS**

<b>a) Reconciliation of Balance Sheet as at 1<sup>st</sup> April 2016</b>				
<b>Particulars</b>		<b>Regrouped previous GAAP</b>	<b>IND AS adjustment</b>	<b>IND AS</b>
		<b>Amt. in Rs.</b>	<b>Amt. in Rs.</b>	<b>Amt. in Rs.</b>
<b>A</b>	<b>ASSETS</b>			
<b>1</b>	<b>(I) Non-Current Assets</b>			
	(a) Property, Plant and Equipment	9,13,06,234	-	9,13,06,234
	(b) Capital Work -in-Progress	3,33,11,726	-	3,33,11,726
	(c) Investment Property	-		-
	(d) Financial Assets			
	(i) Investments	4,87,982		4,87,982
	(ii) Loans	-		-
	(iii) Others	-		-
	(e) Other non-current assets - Capital Advance	-		-
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	4,30,89,056	-	4,30,89,056
	(b) Financial Assets	-		-
	(i) Investments	-		-
	(ii) Trade Receivables	5,04,67,631	1,16,422	5,05,84,053
	(iii) Cash and cash equivalents	5,20,982	-	5,20,982
	(iv) Bank balances other than (iii) above	47,98,695	-	47,98,695
	(v) Loans	-	-	-
	(vi) Others	3,29,68,756	-	3,29,68,756
	(c) Other Current Assets	-	-	-
	<b>TOTAL ASSETS</b>	<b>25,69,51,062</b>	<b>1,16,422</b>	<b>25,70,67,484</b>

<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
	Equity			
	(a) Equity Share Capital	6,23,25,000	-	6,23,25,000
	(b) Other Equity	2,35,41,810	4,91,895	2,40,33,705
	<b>Liabilities</b>			
	(I) Non-Current Liabilities			
	(a) Financial Liabilities	5,39,11,926	-	5,39,11,926
	(i) Other Financial Liabilities	7,23,27,910	-	7,23,27,910
	(b) Provisions	-	-	-
	(c) Deferred Tax Liabilities (Net)	-	-	-
	(II) Current Liabilities			
	(a) Financial Liabilities	-	-	-
	(i) Trade Payables	-	-	-
	a) Due to Micro and Small Enterprises	-	-	-
	b) Due to other than Micro and Small Enterprises	3,58,23,282	-3,75,473	3,54,47,809
	(b) Other Current Liabilities	56,38,670	-	56,38,670
	(c) Provisions	33,82,464	-	33,82,464
	(d) Current Tax Liabilities (net)			-
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>25,69,51,062</b>	<b>1,16,422</b>	<b>25,70,67,484</b>

b) Reconciliation of Balance Sheet as on 31 <sup>st</sup> March 2017				
	<b>Particulars</b>	<b>Regrouped previous GAAP</b>	<b>IND AS adjustment</b>	<b>IND AS</b>
		<b>Amt. in Rs.</b>	<b>Amt. in Rs.</b>	<b>Amt. in Rs.</b>
<b>A</b>	<b>ASSETS</b>			
<b>1</b>	<b>(I) Non-Current Assets</b>			
	(a) Property, Plant and Equipment	13,00,01,839	-	13,00,01,839
	(b) Capital Work -in-Progress	22,61,987	-	22,61,987
	(c) Investment Property	-		-
	(d) Financial Assets			
	(i) Investments	4,87,982	-	4,87,982
	(ii) Loans	-		-
	(iii) Others	-		-
	(e) Other non-current assets - Capital Advance	-		-
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	1,32,58,207	-	1,32,58,207
	(b) Financial Assets	-		-
	(i) Investments	-		-
	(ii) Trade Receivables	7,72,73,434	3,94,858	7,68,78,576
	(iii) Cash and cash equivalents	49,77,376	-	49,77,376

	(iv) Bank balances other than (iii) above	50,75,079	-	50,75,079
	(v) Loans	-	-	-
	(vi) Others	3,51,04,436	-	3,51,04,436
	(c) Other Current Assets	-		-
	<b>TOTAL ASSETS</b>	<b>26,84,40,340</b>	<b>-3,94,858</b>	<b>26,80,45,482</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
	Equity			
	(a) Equity Share Capital	6,23,25,000	-	6,23,25,000
	(b) Other Equity	3,16,93,735	1,11,751	3,18,05,486
	<b>Liabilities</b>			
	(I) Non-Current Liabilities			
	(a) Financial Liabilities	4,94,97,316	-	4,94,97,316
	(i) Other Financial Liabilities	4,93,30,218	-	4,93,30,218
	(b) Provisions	-		-
	(c) Deferred Tax Liabilities (Net)	1,51,97,840	-	1,51,97,840
	(II) Current Liabilities			
	(a) Financial Liabilities	-	-	-
	(i) Trade Payables	-	-	-
	a) Due to Micro and Small Enterprises	-		-
	b) Due to other than Micro and Small Enterprises	4,97,72,203	5,06,609	4,92,65,594
	(b) Other Current Liabilities	66,15,401		66,15,401
	(c) Provisions	40,08,627		40,08,627
	(d) Current Tax Liabilities (net)	-		-
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>26,84,40,340</b>	<b>-3,94,858</b>	<b>26,80,45,482</b>

**N.** The following explain the material adjustments made while transition from previous Accounting Standards to Ind AS.

a. Fair value of security deposits:

Under the previous GAAP, interest free security deposits are recorded at transactions value. Under Ind AS, all financial assets are required to be fair valued.

b. Other comprehensive income:

Under Ind AS all items of income and expenses recognised in the period should be included in the profit & loss for the period, unless a Standard requires or permits otherwise.

Items of income and expenses that are not recognised in the statement of profit & loss but are shown in the statement of profit or loss as other comprehensive income includes re-measurement of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

c. Deferred tax :

Deferred tax impact on the above adjustments.

d. Retained earnings:

Retained earnings as at 1st April, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

**O. Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:**

The Ageing analysis of Account receivables has been considered from the date the invoice falls due:

**Amounts in Rupees**

Unsecured considered good	As on 31.03.18	As on 31.03.17	As on 01.04.16
Over six months	21,38,388	7,19,226	7,69,129
Less than six months	8,16,10,804	7,61,59,350	4,98,14,924
<b>Total</b>	<b>8,37,49,192</b>	<b>7,68,78,576</b>	<b>5,05,84,053</b>

**P. Capital Management**

The company's objectives when managing capital are to

- i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

**Q. Balance of Trade Receivables and Trade payable are subject to confirmations**



**Statement of Changes in Equity****Equity Share capital**

<b>Particulars</b>	<b>Nos.</b>	<b>Rs.</b>			
<b>Equity Shares of Rs. 10 each issued, subscribed and fully paid</b>					
<b>Balance at 1st April 2016</b>	6232500	62325000			
Changes in equity share capital during the year	-	-			
<b>Balance at 31st March 2017</b>	6232500	62325000			
<b>Equity Shares of Rs. 10 each issued, subscribed and fully paid</b>					
<b>Balance at 1st April 2017</b>	6232500	62325000			
Changes in equity share capital during the year	-	-			
<b>Balance at 31st March 2018</b>	6232500	62325000			
<b>Other Equity - Attributable to owners</b>					
	<b>Reserve &amp; Surplus</b>				
<b>Particulars</b>	<b>Capital Reserve State subsidy</b>	<b>Capital Reserve Share Premium</b>	<b>Retained Earnings</b>	<b>Comprehensive Income</b>	<b>Total</b>
<b>Balance at 1st April 2016 (I)</b>	<b>1500000</b>	<b>5175000</b>	<b>16866810</b>	<b>491895</b>	<b>24033705</b>
Last year Comprehensive trf.to retained earning			<b>0</b>	<b>(491895)</b>	<b>(491895)</b>
Other Comprehensive income for the year				111752	111752
Profit for the year			8151924		8151924
<b>Balance at 31st March 2017 (I + II)</b>	<b>1500000</b>	<b>5175000</b>	<b>25018734</b>	<b>111752</b>	<b>31805486</b>

**Other Equity - Attributable to owners (Continued)**

	<b>Reserve &amp; Surplus</b>				
<b>Particulars</b>	<b>Capital Reserve State subsidy</b>	<b>Capital Reserve Share Premium</b>	<b>Retained Earnings</b>	<b>Comprehensive Income</b>	<b>Total</b>
<b>Balance at 1st April 2017 (I)</b>	<b>1500000</b>	<b>5175000</b>	<b>25018734</b>	<b>111752</b>	<b>31805486</b>
Last year Comprehensive trf.to retained earning				<b>(111752)</b>	<b>(111752)</b>
Other Comprehensive income for the year				463059	463059
Profit for the year			35295345		35295345
<b>Balance at 31st March 2018 (I + II)</b>	<b>1500000</b>	<b>5175000</b>	<b>60314079</b>	<b>463059</b>	<b>67452138</b>

In terms of our report attached.

For and on behalf of the Board of Directors

**For KHURDIA JAIN & CO**Chartered Accountants  
FIRM REG.NO. 120263W**SHARAT DEORAH**  
Chairman and Managing Director**SIDDHARTHA DEORAH**  
Whole Time Director**SAMPAT KHURDIA**  
PARTNER  
M. NO. 33615**AMIT SHAH**  
Chief Financial Officer**SHANU NAG**  
Company SecretaryPlace : Mumbai  
Date : 29.05.2018Place : Mumbai  
Date : 29.05.2018

**Note 2 : Property, Plant and Equipment**

<b>Year ended 31st March 2017</b>	<b>Lease Hold Land</b>	<b>Factory Buildings</b>	<b>Office Buildings</b>	<b>Roads</b>	<b>Plant &amp; Equipment</b>	<b>Furniture &amp; Fixtures</b>	<b>Vehicles</b>	<b>Computers</b>	<b>Miscellaneous Assets</b>	<b>Laboratory Equipment</b>	<b>Total</b>	<b>Capital Work in Process</b>
<b>Gross Carrying amount</b>												
Carrying amount as at 01.04.2016	439701	20894784	7019447	337634	106849804	10089583	659132	1527678	781635	6357073	154956271	-
Additions	-	4547271	-	-	35946722	2083563	0	526153	61173	4534580	47699462	-
Disposals	-	-	-	-	5025810	-	-	-	-	-	-	-
<b>Closing gross carrying amount</b>	<b>439701</b>	<b>25442055</b>	<b>7019447</b>	<b>337634</b>	<b>137770516</b>	<b>12173146</b>	<b>659132</b>	<b>2053831</b>	<b>842808</b>	<b>10891653</b>	<b>197629923</b>	<b>2261987</b>
Accumulated Depreciation	111081	7800774	1555977	337634	39342915	7284381	623415	1386430	549384	4658049	63650040	-
Depreciation charge during the year	4397	805665	111141	-	5738760	807623	0	201021	43571	926054	8638232	-
Disposals	-	-	-	-	4660185	-	-	-	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>115478</b>	<b>8606439</b>	<b>1667118</b>	<b>337634</b>	<b>40421490</b>	<b>8092004</b>	<b>623415</b>	<b>1587451</b>	<b>592955</b>	<b>5584103</b>	<b>67628087</b>	-
<b>Net carrying amount 31.03.2017</b>	<b>324223</b>	<b>16835616</b>	<b>5352329</b>	-	<b>97349026</b>	<b>4081142</b>	<b>35717</b>	<b>466380</b>	<b>249853</b>	<b>5307550</b>	<b>130001839</b>	<b>2261987</b>
Net carrying amount 31.03.2016	328620	13094010	5463470	-	67506689	2805202	35717	141248	232251	1699024	91306234	33311726

Note 2 : Property, Plant and Equipment (Continued)												
Year ended 31st March 2018	Lease Hold Land	Factory Buildings	Office Buildings	Roads	Plant & Equipment	Furniture & Fix- tures	Vehicles	Comput- ers	Miscel- laneous Assets	Laborato- ry Equip- ment	Total	Capital Work in Process
<b>Gross Carrying amount</b>												
Carrying amount as at 01.04.2017	439701	25442065	7019447	337634	137770516	12173146	659132	2053831	842808	10891653	197629923	-
Additions	-	2829330	-	-	4075213	696776	1220098	76255	323857	320544	9542073	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing gross carrying amount</b>	<b>439701</b>	<b>28271385</b>	<b>7019447</b>	<b>337634</b>	<b>141845729</b>	<b>12869922</b>	<b>1879230</b>	<b>2130086</b>	<b>1166665</b>	<b>11212197</b>	<b>207171996</b>	<b>10729041</b>
Accumulated Depreciation	115478	8606439	1667118	337634	40421490	8092004	623415	1587451	592955	5584103	67628087	-
Depreciation charge during the year	4397	895261	111141		6243184	750280	115909	223733	68350	898363	9310618	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>119875</b>	<b>9501700</b>	<b>1778259</b>	<b>337634</b>	<b>46664674</b>	<b>8842284</b>	<b>739324</b>	<b>1811184</b>	<b>661305</b>	<b>6482466</b>	<b>76938705</b>	-
<b>Net carrying amount 31.03.2018</b>	<b>319826</b>	<b>18769685</b>	<b>5241188</b>	-	<b>95181055</b>	<b>4027638</b>	<b>1139906</b>	<b>318902</b>	<b>505360</b>	<b>4729731</b>	<b>130233292</b>	<b>10729041</b>
Net carrying amount 31.03.2017	324223	16835616	5352329	-	97349026	4081142	35717	466380	249853	5307550	130001839	2261987

<b>Note 3 : Investments</b>			
<b>Particulars</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As on 01.04.2016</b>
	<b>Total</b>	<b>Total</b>	<b>Total</b>
	<b>Amount in Rs.</b>	<b>Amount in Rs.</b>	<b>Amount in Rs.</b>
Long Term at cost, unless otherwise specified			
<b>A. Trade Investments</b>			
<b>(a) Quoted:</b>			
680 Shares of Zee Entertainment Enterprises Ltd. face value of Rs. 1/- each	484982	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>	<b>484982</b>	<b>484982</b>	<b>484982</b>
<b>(b) Unquoted</b>			
35 (5) Shares of worli Ind. Properties Limited of face value of Rs. 100/- each (of the above	3000	3000	3000
5 shares were issued on purchase of assets and included in the value of asset.			
<b>Total (B)</b>	<b>3000</b>	<b>3000</b>	<b>3000</b>
<b>Total (A+B)</b>	<b>487982</b>	<b>487982</b>	<b>487982</b>
Aggregate amount of quoted investments	484982	484982	484982
Aggregate market value of listed and quoted investments	412518	431700	303516
Aggregate amount of unquoted investments	3000	3000	3000
<b>Note 4 : Inventories</b>			
(At lower of cost and net realisable value)			
<b>Particulars</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
	<b>Amount in Rs.</b>	<b>Amount in Rs.</b>	<b>Amount in Rs.</b>
(a) Raw materials	13078166	10727597	17235008
(b) Work-in-progress	500000	1000000	22950260
(c) Finished goods (other than those acquired for trading)	981575	1105500	2571450
(d) Stores and spares	349969	425110	332338
<b>Total</b>	<b>14909710</b>	<b>13258207</b>	<b>43089056</b>
<b>Note 5 : Trade receivables</b>			
Unsecured considered good			
More than six months	2138388	719226	769129
Others ( less than Six Months)	81610804	76159350	49814924
<b>Total</b>	<b>83749192</b>	<b>76878576</b>	<b>50584053</b>

**Note 6 : Cash and cash equivalents**

	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As on 01.04.2016</b>
(a) Cash on hand	111269	10632	4778
(b) Balances with banks			
(i) In current accounts	17863181	4966744	516204
<b>Total</b>	<b>17974450</b>	<b>4977376</b>	<b>520982</b>
<b>Note 7 : Bank balances other than Note 6 above</b>			
(ii) In deposit accounts			
- Balances held as margin money or security against borrowings, guarantees and other commitments	4527178	5075079	4798695
<b>Total</b>	<b>4527178</b>	<b>5075079</b>	<b>4798695</b>
<b>Note 8 : Other Financial Assets</b>			
<b>Short-term loans and advances</b>			
(a) Prepaid expenses - Unsecured, considered good	307081	371620	327537
(b) Balances with government authorities			
Unsecured, considered good			
(i) CENVAT credit and other incentive receivable	3545102	14001743	10863111
(ii) VAT credit receivable	8980808	9716221	11751576
(iii) GST Receivable	20017905	-	-
(c) Inter-corporate deposits			
Unsecured, considered good	-	-	-
Doubtful	749633	749633	749633
(d) Others (specify nature)			
Unsecured, considered good	1915017	2702367	1884353
Doubtful	-	-	-
<b>Long-term loans and advances</b>			
(a) Security deposits			
With Government Bodies	1104875	948787	948787
With others	468138	468138	233138
(b) MAT Credit Entitlements	4335423	6145927	6210621
(c) Taxes	-	-	-
<b>Total</b>	<b>41423981</b>	<b>35104436</b>	<b>32968756</b>

<b>Note 9 Share capital</b>						
<b>Particulars</b>	<b>As at 31st March, 2018</b>		<b>As at 31st March, 2017</b>		<b>As on 01st April, 2016</b>	
	<b>Number of shares</b>	<b>Amount</b>	<b>Number of shares</b>	<b>Amount</b>	<b>Number of shares</b>	<b>Amount</b>
<b>(a) Authorised</b>						
Equity shares of Rs 10 each	7,000,000	70,000,000	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	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>	<b>6,232,500</b>	<b>62,325,000</b>
<b>Notes:</b>						
[a] Reconciliation of the number of shares outstanding at the beginning and at the end of the year						
<b>Equity shares</b>						
	<b>Number</b>	<b>Amount</b>	<b>Number</b>	<b>Amount</b>	<b>Number</b>	<b>Amount</b>
Shares outstanding at the beginning of the year	6232500	62325000	6232500	62325000	6232500	62325000
Shares issued during the year	Nil	Nil	Nil	Nil	Nil	Nil
Shares bought back during the year	Nil	Nil	Nil	Nil	Nil	Nil
Redemption of shares	Nil	Nil	Nil	Nil	Nil	Nil
Shares outstanding at the end of the year	6232500	62325000	6232500	62325000	6232500	62325000
[b] Shares in the Company held by each Shareholder holding more than 5% shares						
	<b>Number</b>	<b>%</b>	<b>Number</b>	<b>%</b>	<b>Number</b>	<b>%</b>
Siddhartha Deorah	406060	6.515%	391850	6.287%	370286	5.941%
Auro Impex Private Limited	1168781	18.753%	1168781	18.753%	1168781	18.753%
Sharat Deorah	1164100	18.678%	1164100	18.678%	628755	10.088%
Meena Deorah	0	0.000%	0	0.000%	514481	8.255%
<b>Note 10 Other Equity</b>						
<b>Capital Reserve Account</b>						
State Cash Subsidy		1500000		1500000		1500000
Share Premium Account		5175000		5175000		5175000
<b>TOTAL</b>		<b>6675000</b>		<b>6675000</b>		<b>6675000</b>
<b>Retained Earnings</b>						
As per Last Balance Sheet		25130486		17358705		8047896
Net Profit/(Loss) for the year		35295345		8151924		8818914
Amount available for appropriation		60425830		25510629		16866810
Opening Comprehensive Income (Net of Tax)		-111752		-491895		0
Comprehensive Income (Net of Tax)		463059		111752		491895
Dividend		-		-		-
Income Tax		-		-		-
Closing Balance		60777138		25130486		17358705
<b>Total</b>		<b>67452138</b>		<b>31805486</b>		<b>24033705</b>

<b>Note 11 : Financial Liabilities</b>			
<b>Particulars</b>	<b>As at</b>	<b>As at</b>	<b>As on</b>
	<b>31.03.2018</b>	<b>31.03.2017</b>	<b>01.04.2016</b>
	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>
<b>Secured Loans</b>			
(b) Term loan from Bank			
From banks	34256676	13631681	-
(Exclusively charge by way of hypothecation of assets)			
(a) Loans repayable on demand			
From banks			
Secured	27527674	35865635	53911926
(Exclusively hypothecation charge on the entire Stocks, Book Derbts and Other current assets)			
<b>Total</b>	<b>61784350</b>	<b>49497316</b>	<b>53911926</b>
<b>Note 12 : Other Financial Liabilities</b>			
Loans and advances from related parties			
Unsecured	30200000	49330218	72327910
<b>Total</b>	<b>30200000</b>	<b>49330218</b>	<b>72327910</b>
<b>Note 13 : Trade Payables</b>			
Due to other than Micro and small Enterprises	53010906	49265594	35447809
<b>Total</b>	<b>53010906</b>	<b>49265594</b>	<b>35447809</b>
<b>Note 14 : Other Current Liabilities</b>			
(i) Payables on purchase of fixed assets	2390994	1404394	2377704
(ii) Others	4936818	5211007	3260966
<b>Total</b>	<b>7327812</b>	<b>6615401</b>	<b>5638670</b>
<b>Note 15 : Provisions</b>			
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	4551926	847272	421678
(iii) Contractually reimbursable expenses	2941336	3161355	2960785
<b>Total</b>	<b>7493262</b>	<b>4008627</b>	<b>3382463</b>

**Note 16 Revenue from operations**

	Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
		Amount in Rs.	Amount in Rs.
(a)	Sale of products @ (Refer Note (i) below)	404466507	358806620
(b)	Other operating revenues (Refer Note (ii) below)	7018147	11224155
		411484654	370030775
	Less:		
(c)	Excise duty	3544806	15283365
	<b>Total</b>	407939848	354747410
Note (i)	Sale of products comprises		
	<u>Manufactured goods</u>		
	Metformin HCL & CRZ	403867985	358629380
	<b>Total - Sale of manufactured goods</b>	403867985	358629380
	<u>Traded goods</u>	598522	177240
	<b>Total - Sale of traded goods</b>	598522	177240
	<b>Total - Sale of products</b>	404466507	358806620
Note (ii)	Other operating revenues # comprise:		
	Sale of scrap	-	-
	Duty drawback and other export incentives	3059047	3684495
	M E I S incentives	3959100	7,539,660
	<b>Total - Other operating revenues</b>	7018147	11224155
<b>Note 17 Other income</b>			
(a)	Interest income (Refer Note (i) below)	498643	644712
(b)	Dividend income:		
	from long-term investments		
	others	5576	2412
(c)	Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	145166	88376
(d)	Net Foreign Exchange Gain	4489794	4605924
	<b>Total</b>	5139179	5341424
Note (i)	Interest income comprises:		
	Interest from banks on:		
	deposits	399940	374363
	Others	98703	270349
	<b>Total - Interest income</b>	498643	644712
Note (ii)	Other non-operating income comprises:		
	Misc. Receipts	135620	3784
	Sundry Balacne W/off	0	0
	Profit on sale of fixed assets	0	79727
	Commission Recd.	9546	4865
	<b>Total - Other non-operating income</b>	145166	88376



<b>Note 18.a : Cost of materials consumed</b>		
<b>Particulars</b>	<b>For the year ended 31.03.2018</b>	<b>For the year ended 31.03.2017</b>
	<b>Amount in Rs</b>	<b>Amount in Rs</b>
Opening stock	11152707	17567346
Add: Purchases	248440739	194221180
Less: Closing stock	13428135	11152707
<b>Cost of material consumed</b>	<b>246165311</b>	<b>200635819</b>
<b>Total</b>	<b>246165311</b>	<b>200635819</b>
<b>Note 18.b : Purchase of traded goods</b>		
Traded good	406500	131000
<b>Total</b>	<b>406500</b>	<b>131000</b>
<b>Note 18.c : Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
<u>Inventories at the end of the year:</u>		
Finished goods	981575	1105500
Work-in-progress	500000	1000000
Stock-in-trade		
	<b>1481575</b>	<b>2105500</b>
<u>Inventories at the beginning of the year:</u>		
Finished goods	1105500	2571450
Work-in-progress	1000000	22950260
Stock-in-trade		
	2105500	25521710
<b>Net (increase) / decrease</b>	<b>623925</b>	<b>23416210</b>
<b>Note 19 : Employee benefits expense</b>		
Salaries and wages	27240736	26271688
Contributions to provident and other funds	409399	396301
Staff welfare expenses	266058	445442
Director Remuneration	9000000	3650000
Directors Setting Fees	37500	45000
<b>Total</b>	<b>36953693</b>	<b>30808431</b>
<b>Note 20 : Finance costs</b>		
(a) Interest expense on:		
(i) Borrowings	6984108	4383666
(ii) Others - on unsecured loans	3901030	6342722
<b>Total</b>	<b>10885138</b>	<b>10726388</b>

**Note 21 : Other expenses**

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
	Amount in Rs.	Amount in Rs.
Consumption of stores and spare parts	1419819	1486763
Power and fuel	13637191	11732057
Water	1141301	1165818
Repairs and maintenance - Buildings	575517	908881
Repairs and maintenance - Machinery	1648122	1492487
Repairs and maintenance - Others	436605	325067
Insurance	431897	634968
Rates and taxes	1421032	1046665
Communication	349515	507974
Travelling and conveyance	3346122	2937676
Printing and stationery	1109326	1293098
Freight and forwarding	6695576	5629948
Commission & Brokerage	144887	399574
Laboratory Chemicals	1344168	1695849
Factory and Office Expenses	7034374	6448876
Bank Charges	1249181	1034217
Profession Tax (Company)	2500	2500
Profession Tax (Directors)	10000	10000
Export Expenses	6033656	5597776
Donations and contributions	2860000	2555000
Legal and professional	3713534	2583594
Payments to auditors (Refer Note (i) below)	150000	125000
Miscellaneous expenses	6706391	6886736
<b>Total</b>	<b>61460714</b>	<b>56500524</b>
<b>Notes:</b>		
Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
	Amount in Rs.	Amount in Rs.
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	100000	125000
For taxation matters	50000	-
For company law matters	-	-
<b>Total</b>	<b>150000</b>	<b>125000</b>

**22. Notes on Financial Statements:**

<b>I.</b>	<b>CONTINGENT LIABILITIES AND COMMITMENTS</b>	<b>2018</b>	<b>2017</b>
A.	Contingent liabilities and commitments	28014375	32378445
B.	Claims against the Company not acknowledged	Nil	Nil
	As debts		
C.	Estimated amount of contracts remaining to be	Nil	Nil
	Executed on capital account and not provided for		
<b>II.</b>	<b>The Income Tax Assessments of the Company have been completed up to Assessment year 2014-15.</b>		
<b>III.</b>	<b>EARNINGS PER SHARE (EPS)</b>		
	<b>Earnings</b>		
	Net Profit for the year (net of taxes)	35295345	8151924
	<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	6232500	6232500
	Outstanding during the year		
	Earning per share of par value Rs. 10 - Basic Rs.	5.66	1.31
	- Diluted Rs.	5.66	1.31
<b>IV.</b>	<b>RELATED PARTY DISCLOSURES</b>		
<b>A]</b>	<b>Related parties where control exists or where significant influence exists and with whom transaction have taken place during the year.</b>		
<b>1.</b>	Associate Company		
	1. Auro Impex Pvt. Limited		
<b>2.</b>	Key Management personnel Represented on the board		
	1. Shri Sharat Deorah - Managing director		
	2. Shri Siddhartha Deorah – Whole Time Director		
	Non Executive/Independent Directors on the Board		
	1. Shri Kailash Chand Bubna		
	2. Shri Goverdhandas Aggarwal		
	3. Smt. Kavita V. Sharma		
<b>B]</b>	<b>The following is a summary of significant related party transactions:</b>		
<b>1.</b>	Interest paid to		
	Auro Impex Pvt. Limited	2534757	4424615
<b>2.</b>	Loan received from		
	Auro Impex Pvt. limited	Nil	Nil
<b>3.</b>	Loan paid to		
	Auro Impex Pvt. limited	8500000	10000000
<b>4.</b>	The Company has the following amounts due to related parties:		
	Auro Impex Pvt. limited	21500000	30000000
<b>C]</b>	<b>Salary paid to Directors</b>		
<b>1.</b>	Salary Paid to Director	9000000	3650000

<b>V.</b>	<b>RAW MATERIAL CONSUMED DURING THE YEAR</b>			
	4 Chloro 2 Amino		22888063	27746771
	Dicyanadiamide		112464109	73002336
	Dimethylamine HCL		72742509	55162969
	Methanol		10138129	10771272
	Furnace oil		655254	Nil
	Packing Material		11111023	9736145
	Acetic Acid		1511726	788035
	Caustic Soda		1271277	577075
	Urea		1250224	1479694
	Xylene		1098493	962861
	Briquettes		11600546	11513446
	Other		1709387	2480576
		<b>Total</b>	<b>248440740</b>	<b>194221180</b>
<b>VI.</b>	<b>DETAILS OF IMPORTED AND INDIGENOUS RAW MATERIALS, SPARES AND PACKING MATERIAL CONSUMED:</b>			
	Raw Material			
	Imported		93824609	73002336
	Indigenous		154616131	121218844
<b>VII.</b>	<b>CIF VALUE OF IMPORTS</b>			
	Raw Material		93824609	73002336
<b>VIII.</b>	<b>EARNINGS IN FOREIGN CURRENCY</b>			
	Exports on FOB/CIF/CNF Basis		220818393	211307000
<b>IX.</b>	<b>EXPENDITURE IN FOREIGN CURRENCY</b>			
	Traveling		1641038	1033330
	Commission on Export		Nil	Nil
<b>X.</b>	<b>SEGMENT INFORMATION</b>			
	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.			
<b>XI.</b>	<b>DEFERRED TAX ASSETS/ LIABILITIES</b>			
	A]	Deferred Tax Assets		
		a]	Carried forward Losses	0
		b]	Unabsorbed Depreciation	0
		<b>Total A</b>	<b>0</b>	<b>0</b>
	B]	Deferred Tax Liabilities		
		a]	Fixed Assets WDV	48083302
		<b>Deferred Tax Liabilities/ Assets [A-B]</b>	<b>(14441359)</b>	<b>(15197840)</b>
<b>XII.</b>	<b>Previous year's figures have been regrouped, rearranged and reclassified wherever necessary.</b>			

**For KHURDIA JAIN & CO**  
 Chartered Accountants  
**FIRM REG.NO. 120263W**

**For and on behalf of the Board**  
**SHARAT DEORAH**  
 Chairman & Managing Director

**SIDDHARTHA DEORAH**  
 Whole Time Director

**SAMPAT KHURDIA**  
 PARTNER  
 M. NO. 33615

**AMIT SHAH**  
 Chief Financial Officer

**SHANU NAG**  
 Company Secretary

Place : Mumbai  
 Date : 29.05.2018

Place : Mumbai  
 Date : 29.05.2018

**AURO LABORATORIES LIMITED**

Regd. Office : K56, M.I.D.C, TARAPUR INDUSTRIAL AREA, PALGHAR - 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 29th Annual General Meeting of the Company held on Saturday, September 29, 2018 at 11:30 A.M at K56, M.I.D.C, Tarapur Industrial Area, Palghar - 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, PALGHAR - 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 **29th** Annual General Meeting of the Company, to be held on **Saturday, September 29, 2018 at 11:30 A.M at K56, M.I.D.C, Tarapur Industrial Area, Palghar - 401506** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars	For	Against
<b>Ordinary Business</b>			
1.	To approve and adopt Audited Financial Statement, for the year ended March 31, 2018 and reports of the Board of Directors and Auditors thereon.		
2.	To appoint a Director in place of Mrs. Kavita B. Sharma (DIN:07139910), who retires by rotation and being eligible, offers himself for re-appointment.		
<b>Special Business</b>			
3.	Approval of re-appointment of Mr. Govardhan Das Agarwal (DIN: 00545428), Independent Director for a second term of 5 consecutive years, existing term expires on March 31, 2019.		
4.	Approval of re-appointment of Mr. Kailash Bubna (DIN: 01877773), Independent Director for a second term of 5 consecutive years, existing term expires on March 31, 2019.		

Signed this..... day of .....2018.

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

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

Affix Revenue Stamp of ₹1
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**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 29th 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.

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



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