

ANNUAL REPORT 2018-2019



AURO
Laboratories Limited



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Laboratories Limited

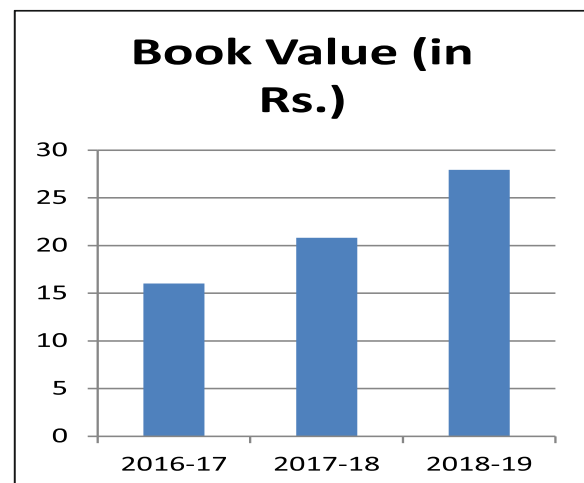
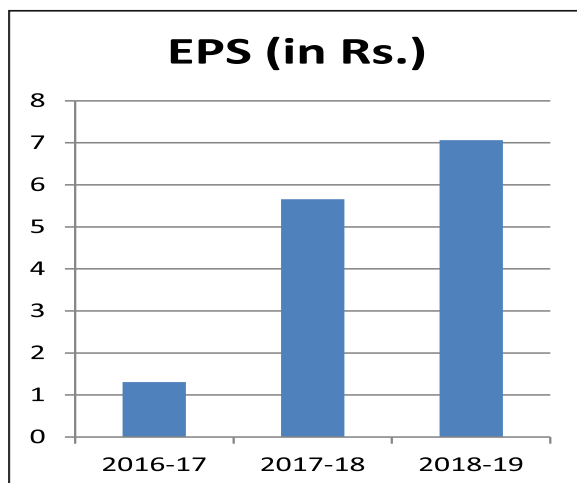
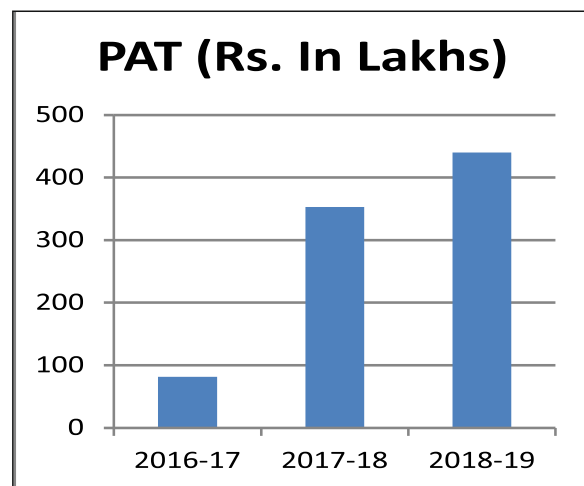
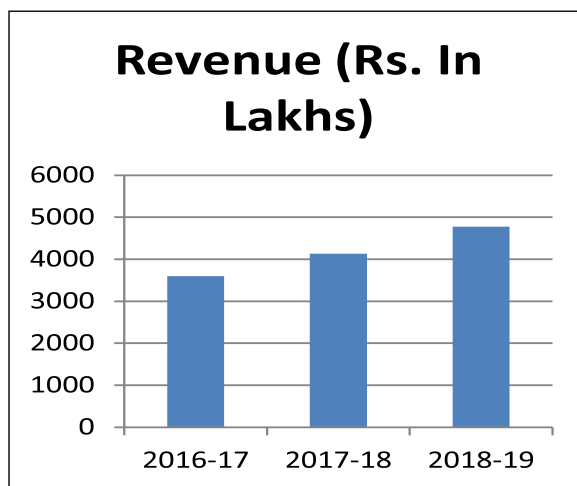
API PRODUCTS

Metformin Hydrochloride

Chlorzoxzone

Chlorphenamine Maleate

Performance Indicators



AURO LABORATORIES LIMITED

CIN: L33125MH1989PLC051910

BOARD OF DIRECTORS:

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

COMPANY SECRETARY & COMPLIANCE OFFICER:

Shanu Nag

REGISTERED OFFICE & FACTORY:

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

ADMINISTRATIVE OFFICE:

314, 3rd 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 Website: www.aurolabs.com

AUDITORS:

M/s. Khurdia Jain & Co.
Chartered Accountants

BANKERS

Allahabad Bank,
Fort Branch,
Mumbai.

REGISTRAR & SHARE TRANSFER AGENT:

Purva Sharegistry (India) Private Limited
Unit no.9 Shiv Shakti Ind. Estt.
J. R. Boricha Marg
Lower Parel (E) Mumbai 400 011
Tel : 91-22-2301 2518 / 6761
Email: support@purvashare.com
Web : www.purvashare.com



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NOTICE TO THE MEMBERS

NOTICE is hereby given that the 30th Annual General Meeting (AGM) of the Members of **AURO LABORATORIES LIMITED** will be held on Friday, September 6, 2019 at 11:00 a.m. at Reyansh Grand Hotel situated at P-47, Tarapur-Boisar MIDC Opp. Lavino Kapur Company, Salwad Road, Boisar(W) Dist - Palghar 401504 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, 2019, including the audited Balance Sheet as at March 31, 2019, 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 Mr. Siddhartha Deorah (DIN 00230796) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **RE-APPOINTMENT OF MR. SHARAT DEORAH AS CHAIRMAN & MANAGING DIRECTOR OF THE COMPANY:**

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

“RESOLVED THAT in supersession of all earlier resolutions and pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of Companies Act, 2019 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force), read with Schedule V thereof, the recommendation of Nomination and Remuneration Committee and the Board of Directors, the Consent of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Sharat Deorah as Chairman & Managing Director of the Company for a period of 3 years, w.e.f. April 01, 2019 at a consolidated remuneration not exceeding INR. 1.68 Crores per annum as per the terms and conditions as set out in the Explanatory Statement annexed to this Notice, subject to approval of the shareholders at the ensuing Annual General Meeting.

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

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

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

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

“RESOLVED THAT in supersession of all earlier resolutions and pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of Companies Act, 2019 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force), read with Schedule V thereof, the recommendation of Nomination and Remuneration Committee and the Board of Directors, the Consent of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Siddhartha Deorah as Whole-Time Director of the Company for a period of 3 years, w.e.f. April 01, 2019 at a consolidated remuneration not exceeding INR. 1.68 Crores per annum as per the terms and conditions as set out in the Explanatory Statement annexed to this Notice, subject to approval of the shareholders at the ensuing Annual General Meeting.

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

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

Registered Office:

K-56, M.I.D.C,
Tarapur Industrial Area,
Thane – 401 506.
Date: May 23, 2019

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. 19.**
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. Additional information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment / reappointment at the AGM are furnished below. The Directors have furnished the requisite consents / declarations for their appointment/re-appointment.

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

Name of Director	Mr. Sharat Deorah	Mr. Siddhartha Deorah
Director Identification Number (DIN)	00230784	00230796
Date of Birth	June 2, 1950	September 21, 1978
Age	69 Years	38 Years
Brief resume & Nature Of expertise in specific functional areas	He is associated with the Company since May 26, 1989 as Director of the Company and has an experience of over 30 years to his credit. He looks after the overall affairs of the Company.	He is associated with the Company since August 1, 1999 as Director of the Company and has an experience of over 15 years in Production & Marketing. He looks after the Purchase and Sales aspects of the Company
Disclosure of relationship between directors inter-se	Father of Mr. Siddhartha Deorah	Son of Mr. Sharat Deorah
Names of listed entities in which the person also holds the directorship	NIL	NIL
No. of Equity Shares held in the Company	11,65,800 shares	4,31,192 shares
Membership & Chairmanships of Committees of the Board	NIL	1. Audit Committee (Member) 2. Stakeholders Relationship Committee (Member)

7. The Register of Members and the Share Transfer Books of the Company will remain closed from **August 31, 2019** to **September 6, 2019** (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Annual General Meeting.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar /Company.
9. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meeting so that the requested information can be made available at the time of the meeting.
10. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.
11. Members / Proxies are requested to please bring their copies of the Annual Report to the meeting.
12. The Company's shares are listed on BSE Limited, Mumbai.
13. 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 SHAREGISTRY (INDIA) PRIVATE LIMITED

[Unit: Auro Laboratories Limited]

Unit no.9 Shiv Shakti Ind. Estt.

J. R. Boricha Marg, Lower Parel (E) Mumbai 400 011

Tel: 91-22-2301 2518 / 6761

Email: support@purvashare.com **Web:** www.purvashare.com

14. 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.
15. 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.
16. 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.
17. 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.
18. 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.
19. **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. **August 30, 2019**
 - (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. **August 30, 2019** 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. **August 30, 2019** may obtain the User ID and password from **Purva Sharegistry (India) Private Limited** (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 48 hours of the conclusion of General Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.aurolaboratories.com and on the website of CDSL 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 6, 2019**
- (x) The instructions for shareholders voting electronically are as under:
- (i) The voting period begins at 9.00 a.m. (IST) on **September 3, 2019** and ends at 5.00 p.m. (IST) on **September 5, 2019** 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 **August 30, 2019** 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.
 - (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 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:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • 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. • 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
DOB	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
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • 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)

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 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
 - 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 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.
- (xx) 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, under help section or write an email to helpdesk.evoting@cdslindia.com

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO.3:

Mr. Sharat Deorah, was appointed as Chairman & Managing Director of the Company for a term of 3 years at the 28th Annual General Meeting held on September 29, 2017 through Ordinary Resolution. The Board of Directors at its Meeting held on May 23, 2019 decided to change the terms of appointment & ceiling of remuneration of Mr. Sharat Deorah upto INR 1.68 Crores per annum on the basis of recommendation received from Nomination & Remuneration Committee. Therefore it is proposed that a new Special Resolution be moved at the ensuing Annual General Meeting and his new terms be made effective from April 1, 2019.

This ceiling is on overall remuneration proposed with liberty to vary the same within this aforesaid overall ceiling.

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

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

The resolution seeks the approval of the members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (amended from time to time) for the re-appointment of Mr. Sharat Deorah as a Chairman and Managing Director for a period of 3 years commencing April 01, 2019.

MEMORANDUM OF INTEREST

Mr. Siddhartha Deorah being closely related to Mr. Sharat Deorah as Son, is deemed to be concerned and interested in the resolution at Item no. 3. Except Mr. Siddhartha Deorah and Mr. Sharat Deorah, none of the Directors/KMP of the Company is concerned or interested in this resolution.

ITEM NO.4:

Mr. Siddhartha Deorah, was appointed as Whole Time Director of the Company for a term of 3 years at the 28th Annual General Meeting held on September 29, 2017 through Ordinary Resolution. The Board of Directors at its Meeting held on May 23, 2019 decided to change the terms of appointment & ceiling of remuneration of Mr. Siddhartha Deorah upto INR 1.68 Crores per annum on the basis of recommendation received from Nomination & Remuneration Committee. Therefore it is proposed that a new Special Resolution be moved at the ensuing Annual General Meeting and his new terms be made effective from April 1, 2019.

This ceiling is on overall remuneration proposed with liberty to vary the same within this aforesaid overall ceiling.

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

- a) Gratuity payable at a rate of half month's salary for each completed year of service.
- b) Company's contribution towards Provident Fund as per Rules of the Company, but the same shall not exceed 25% of the salary, subject to the condition that the contribution to Provident Fund and Superannuation Fund to the extent that these, either singly or put together are not taxable under the Income Tax Act, 1961.

c) Leave unavailed of will be allowed to be encashed at the end of the tenure as per Company's Rules.

The resolution seeks the approval of the members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended from time to time) for the re-appointment of Mr. Siddhartha Deorah as a Whole Time Director for a period of 3 years commencing April 01, 2019.

MEMORANDUM OF INTEREST

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

ANNEXURE "A" TO THE EXPLANATORY STATEMENT:

I. GENERAL INFORMATION:

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

Sr. No.	Particulars	2018-2019	2017-2018	2016-2017
1.	Gross Income	477,813,030	413,079,027	370,030,775
2.	Profit before tax	60,688,517	47,273,129	29,232,230
3.	Profit after tax	43,994,604	35,295,345	14,034,390
4.	Dividend paid (including tax)	--	--	--
5.	Rate of dividend %	--	--	--

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

II. INFORMATION ABOUT THE APPOINTEE:

Name of Director	Mr. Sharat Deorah	Mr. Siddhartha Deorah
Date of Birth	June 2, 1950	September 21, 1978
Date of Appointment	May 26, 1989	August 1, 1999
Brief resume of the Director	He is associated with the Company since May 26, 1989 as Director of the Company and has an experience of over 30 years to his credit. He looks after the Overall affairs of the Company.	He is associated with the Company since August 1, 1999 as Director of the Company and has an experience of over 15 years to his credit. He looks after the Purchase and Sales aspects of the Company.
Qualification	B. Com	MBA

Recognition or awards	Nil	Nil
Past remuneration	Rs.60,00,000/- p.a.	Rs.60,00,000/- p.a.
Nature of his expertise in specific functional areas	Finance & Administration	Production & Marketing
Remuneration Proposed	Rs.1,68,00,000/- p.a. (This is proposed remuneration and actual will be decided from time to time within the overall ceilings by the Board.)	Rs.1,68,00,000/- p.a. (This is proposed remuneration and actual will be decided from time to time within the overall ceilings by the Board.)
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):	Not possible being a unique nature of the industry. However, as compared to the size of our company, the remuneration to be paid is going to be very comparative as per the industry norms.	Not possible being a unique nature of the industry. However, as compared to the size of our company, the remuneration to be paid is going to be very comparative as per the industry norms.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	- Being promoter, he is directly related to the Company. - Father of Mr. Siddhartha Deorah	- Being promoter, he is directly related to the Company. - Son of Mr. Sharat Deorah

III. Other Information:

- (1) Reasons of loss or inadequate profits: The Company has been making profit from last many years. However profits were not adequate enough to pay higher remuneration.
- (2) Steps taken or proposed to be taken for improvement: With steps taken by the management, profits and turnover of the Company are growing every year and expected to improve further.
- (3) Expected increase in productivity and profits in measurable terms: The management expects about 10% to 15% increase in performance and profits.

IV. Disclosures:

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

The Board recommends the resolution set forth in Item No. 3 & 4, subject to the approval of the Members at the ensuing Annual General Meeting

Registered Office:

K-56, M.I.D.C,
Tarapur Industrial Area,
Thane – 401 506.
Date: May 23, 2019

For and on behalf of the Board
AURO LABORATORIES LIMITED

SHARAT DEORAH
(DIN: 00230784)
CHAIRMAN & MANAGING DIRECTOR

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have great pleasure in presenting the Thirtieth (30th) Annual Report, together with the Audited Financial Statements of the Company for the financial year ended March 31, 2019.

1. FINANCIAL HIGHLIGHTS:

[Amount in Lakhs except EPS]

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Revenue from operation (Net of tax)	4682.31	4079.40
Other Income	95.82	51.39
Total Income	4778.13	4130.79
Profit before Finance Cost and Depreciation	780.23	674.69
Less: Finance Cost	72.22	108.85
Less: Depreciation & Amortization expenses	100.92	93.11
Profit Before Tax	606.89	472.73
Provision for -- Current Tax	161.69	127.34
-- Deferred Tax	5.25	(7.56)
Net Profit After Tax	439.95	352.95
Other Comprehensive Income (Net of tax)	8.11	4.63
Total Comprehensive Income After Tax	448.06	357.58
Earning Per Share (Basic & Diluted)	7.06	5.66

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. 4778.13 Lakhs as against Rs. 4130.79 Lakhs in the previous year. The Profit after tax was Rs. 439.95 Lakhs as against Profit of Rs. 352.95 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.

3. DIVIDEND:

To consolidate the financial position of the Company, the Board does not propose any dividend for the year ended March 31, 2019.

4. TRANSFER TO RESERVES:

No amount is proposed to be transferred to Reserves out of the profits earned during the Financial Year 2018-2019.

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, 2019 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 OR ASSOCIATE COMPANIES:

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

8. CHANGE IN THE NATURE OF BUSINESS:

There was no change in the nature of business activities during the financial year 2018-19.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not given any loans, made investments and provided any guarantees and securities, hence provisions of 186 of the Companies Act, 2013 does not apply to the Company.

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) Independent Directors and One (1) Non-Executive Woman Director as on March 31, 2019.

ii) Re-appointments:

In accordance with the provisions of Section 152 (6) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Siddhartha Deorah, Director of the Company, retires by rotation, and being eligible, has offered himself for reappointment.

Mr. Sharat Deorah & Mr. Siddhartha Deorah were appointed as Chairman & Managing Director and Whole Time Director of the Company respectively, for a term of 3 years at the 28th Annual General Meeting held on September 29, 2017. The Board of Directors on recommendation of Nomination & Remuneration Committee propose to re-appoint Mr. Sharat Deorah, as Chairman & Managing Director & Mr. Siddhartha Deorah, as Whole Time respectively with revised ceiling of remuneration for a fresh term of 3 years commencing from April 1, 2019.

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. Sidhartha Deorah	Whole-time Director
3.	Mr. Amit Shah	Chief Financial Officer
4.	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:

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

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 Act, is annexed as **Annexure 'A'** which forms an integral part of this Report and is also available on the Company's website www.aurolaboratories.com

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 29, 2018, August 13, 2018, September 29, 2018, November 1, 2018 and January 29, 2019 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 (2018-2019)					No. Meetings Entitled to Attended	No. of Meetings Attended	Last AGM Attended
		May 29, 2018	Aug 13, 2018	Sep 29, 2018	Nov 1, 2018	Jan 29, 2019			
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 Chandra 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:

- In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure, if any;
- 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;
- 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 Audit Committee of the Company is constituted in accordance with Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013. The Committee comprises Three (3) qualified members (i.e. Two (2) Independent Directors and One (1) Executive Director).

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 29, 2018, August 13, 2018, November 1, 2018 and January 29, 2019; 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 (2018-2019)				No. Meetings Entitled to Attended	No. of Meetings Attended
		May 29, 2018	Aug 13, 2018	Nov 1, 2018	Jan 29, 2019		
Mr. Kailash Chandra 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 Nomination and Remuneration Committee of the Company is constituted in accordance with Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with section 178 of the Companies Act, 2013. The Committee comprises Three (3) qualified members (i.e. Two (2) Independent Directors and One (1) Non-Executive Director)

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 Two (2) times during the year on May 29, 2018 and January 29, 2019. 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 (2018-2019)		No. Meetings Entitled to Attended	No. of Meetings Attended
		May 29, 2018	Jan 29, 2019		
Mr. Kailash Chandra Bubna	Chairperson Non-Executive Independent	Yes	Yes	2	2
Mr. Govardhan Das Agarwal	Independent Non-Executive	Yes	Yes	2	2
Mrs. Kavita Sharma	Non-Executive	Yes	Yes	2	2

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 organization.
- 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 Stakeholders Relationship Committee of the Company is constituted in accordance with Regulation 20 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

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 oversees 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. www.aurolaboratories.com.

The following table shows the nature of complaints received from the shareholders during the years 2018-2019.

Nature of Complaints	No. of complaints received	No. of Complaints Resolved
Non receipt of Dividend Warrant	--	--
Non receipt of Annual Report	--	--
Non receipt of Share Certificate after transfer	1	1
SEBI	1	1
Total	2	2

There were no complaints pending as on March 31, 2019.

The Committee met Four (4) times during the year on May 29, 2018, August 13, 2018, November 1, 2018 and January 29, 2019. 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	Stakeholders Relationship Committee Dates (2018-2019)				No. Meetings Entitled to Attended	No. of Meetings Attended
		May 29, 2018	Aug 13, 2018	Nov 1, 2018	Jan 29, 2019		
Mr. Kailash Chandra 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 once during the year on January 29, 2019 and the meeting was attended by all Independent Directors.

None of the Non-Executive Independent Directors hold Equity Shares of the Company in their own name.

15.5 CORPORATE SOCIAL RESPONSIBILITY:

The provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company for the Financial Year 2018-2019. However, the Corporate Social Responsibility (CSR) provisions would be applicable for the F.Y. 2019-2020 and accordingly, the Company has constituted the Corporate Social Responsibility Committee.

The Corporate Social Responsibility Committee comprises of Three (3) Members Mr. Kailash Chandra Bubna, Chairperson, Mr. Goverdhan Das Agarwal, Member and Mr. Siddhartha Deorah, Member.

The role of the committee has been defined as per section 135 of the Companies Act, 2013 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII thereof.

16. BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 the company has implemented a system of evaluating performance of the Board of Directors and of its Committees and individual directors on the basis of evaluation criteria suggested by the Nomination and Remuneration Committee and the SEBI (LODR) Regulations, 2015. Accordingly, the Board has carried out an evaluation of its performance after taking into consideration various performance related aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, remuneration, obligations and governance. The performance evaluation of the Board as a whole, Chairperson and Non-Independent Directors was also carried out by the Independent Directors in their meeting held on January 29, 2019.

Similarly, the performance of various committees, individual Independent and Non Independent Directors was evaluated by the entire Board of Directors (excluding the Director being evaluated) on various parameters like engagement, analysis, decision making, communication and interest of stakeholders.

The Board of Directors expressed its satisfaction with the performance of the Board, its committees and individual directors.

17. RELATED PARTY TRANSACTIONS:

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 and the Rules made there under are not attracted. Thus, disclosure in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required.

Further, there are no material related party transactions during the year under review. All related party transactions are mentioned in the Notes to the Financial Statements.

All Related Party Transactions are placed before the Audit Committee. Omnibus approval was obtained for transactions which are of repetitive nature. A statement giving details of all Related Party Transactions are placed before the Audit Committee for review and approval on a quarterly basis.

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company www.aurolaboratories.com

18. AUDITORS:

a) Statutory Auditor

M/s. Khurdia Jain & Co., Chartered Accountants, Mumbai, were appointed as the Statutory Auditors of the Company at the 28th Annual General Meeting (AGM) held on September 29, 2017 and will hold office until the conclusion of the 33rd 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 2018-2019 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 re-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'** and forms a 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 2018-19.

19. 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 website www.aurolaboratories.com.

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

20. 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.

21. 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.

22. 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 auditor, 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.

23. 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.

24. 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.aurolaboratories.com

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

The Company has a Policy on prohibition, prevention and redressal of sexual harassment of women at workplace and matters connected therewith or incidental thereto covering all the aspects as contained under "The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013".

During the financial year 2018-19, no complaint was received under the policy.

26. 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.

27. 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.

28. 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.

29. 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, 2019.

30. 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, 2019.

31. 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**'.

32. 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.

33. 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 RELATE 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, 2019.

34. LISTING:

The Company's Shares are listed on BSE Limited, Mumbai. The Company has paid Listing Fees for the year 2018-19.

35. ISO CERTIFICATION:

The Company's products were awarded as ISO 9001:2008 Certification.

36. 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.

37. 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,
Thane – 401 506.
Date: May 23, 2019

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 March 31, 2019.**

[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:-	L33125MH1989PLC051910
ii) Registration Date:-	26-05-1989
iii) Name of the Company:-	AURO LABORATORIES LIMITED
iv) Category / Sub-Category of the Company:-	Company limited by shares & Indian Non Government Company
v) Address of the Registered office and contact details:-	K-56, M I D C, TARAPUR INDUSTRIAL AREA, THANE- 401506 TEL: +91-22-6663 5456
vi) Whether listed company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	PURVA SHAREGISTRY (INDIA) PVT. LTD Unit no.9 Shiv Shakti Ind. Estt. J. R. Boricha Marg Lower Parel (E) Mumbai 400 011 Tel: 91-22-2301 2518 / 6761 Email: support@purvashare.com Web: www.purvashare.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter's									
(1) Indian									
a) Individual/ HUF	2040380	1700	2042080	32.77%	2065512	1700	2067212	32.17%	0.40%
b) Central/State Govt									
c) Bodies Corp.	1168781	0	1168781	18.75%	1168781	0	1168781	18.75%	0.00%
d) Banks / FI									
e) Any Other									
Sub-total (A) (1):-	3209161	1700	3210861	51.52%	3234293	1700	3235993	51.92%	0.40%
(2) Foreign									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other									
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0.00%
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	3209161	1700	3210861	51.52%	3234293	1700	3235993	51.92%	0.40%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds		400	400	0.01%	0	400	400	0.01%	
b) Banks / FI	200		200	-	200		200	0.00%	0.00%
c) Central/ State Govt									
d) Venture Capital Funds									
e) Insurance Companies									
f) FIs									
g) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	200	400	600	0.01%	200	400	600	0.01%	0.00%
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	80492	18700	99192	1.59%	68096	18700	86796	1.39%	-0.20%
ii) Overseas									
b) Individual shareholders holding									
i) upto Rs. 1 lakh	1187420	683818	1871238	30.03%	1172615	635618	1808233	29.02%	-1.01%
ii) excess of Rs 1 lakh	306110	0	306110	4.91%	375934	0	375934	6.04%	1.13%
c) Others									
Clearing Member	15397	0	15397	0.25%	11873	0	11873	0.19%	-0.06%
OCB	0	0	0		0	0	0		
NRI	292892	390700	683592	10.97%	294083	365200	659283	10.58%	-0.39%
HUF	45010	500	45510	0.73%	53288	500	53788	0.86%	0.13%
Sub-total (B)(2):-	19,27,321.00	10,93,718.00	30,21,039.00	48.48%	19,75,889.00	10,20,018.00	29,95,907.00	48.08%	
Total shareholding of Public Shareholding (B) = (B)(1)+(B)(2)	19,27,521.00	10,94,118.00	30,21,639.00	48.48%	19,76,089.00	10,20,418.00	29,96,507.00	48.48%	
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	51,36,682.00	10,95,818.00	62,32,500.00	100.00%	52,10,382.00	10,22,118.00	62,32,500.00	100.00%	

(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	SUMAN BHUWANIA	1700	0.03	0	0	0	0	-0.03
2	AURO IMPEX PRIVATE LIMITED	1168781	18.75	0	1168781	18.75	0	0
3	SHARAT DEORAH	1164100	18.68	0	1165800	18.71	0	0.03
4	SIDDHARTHA DEORAH	406060	6.52	0	431192	6.92	0	0.4
5	SAMRIDHI DEORAH	241191	3.87	0	241191	3.87	0	0
6	SHARAT DEORAH(HUF)	229029	3.67	0	229029	3.67	0	0

iii) Change in Promoters' Shareholding

SI No.		Shareholding at the beginning of the year (As on 01-04-2018)		Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3210861	51.52	3235993	51.92
	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	3210861	51.52	3235993	51.92

* The increase in % of total shares of the company from 51.52 % to 51.92 % is due to Market Purchase

Inter-se Transfer among Promoters and Market Purchases by Promoter

Sr. No	Shareholder's Name	Shareholding at the Beginning of the Year		Date	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		Increasing/ Decreasing in shareholding	Reason	No. Of shares	
1	SHARAT DEORAH	1164100	18.68	01/04/2018				
				01/03/2019	1700	Purchase	1165800	18.71
				31/03/2019			1165800	18.71
2	SIDDHARTHA DEORAH	406060	6.52	01/04/2018				
				06/04/2018	5546	Purchase	411606	6.60
				16/11/2018	2810	Purchase	414416	6.65

Sr. No	Shareholder's Name	Shareholding at the Beginning of the Year		Date	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		Increasing/ Decreasing in shareholding	Reason	No.Of shares	
				30/11/2018	4065	Purchase	418481	6.71
				14/12/2018	1500	Purchase	419981	6.74
				18/01/2019	6261	Purchase	426242	6.84
				22/02/2019	4950	Purchase	431192	6.92
				31/03/2019			431192	6.92
3	SUMAN BHUWANIA	1700	0.03	01/04/2018				
				01/03/2019	-1700	Sale	0	0
				31/03/2019			0	0

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	3.21	01-04-2018				
				31-03-2019		No Change	200000	3.21
2	KIRTILABEN JAYANTILAL MEHTA	195000	3.13	01-04-2018				
				31-03-2019		No Change	195000	3.13
3	SHIKHA LOHIA	96126	1.54	01-04-2018				
				31-03-2019		No Change	96126	1.54
4	BANKIM C SHAH	50000	0.8	01-04-2018				
				31-03-2019		No Change	50000	0.8
5	JAYESH LABHSHANKER MEHTA	41320	0.66	01-04-2018				
				06-04-2018	-599	Sale	40721	0.65
				14-09-2018	-381	Sale	40340	0.65
				15.02.2019	-260	Sale	40080	64
				31-03-2019			40080	64
6	PARTH INFIN BROKERS (P) LTD.	25920	0.42	01-04-2018				
				20.04.2018	-6762	Sale	19158	0.31
				11.05.2018	1680	Purchase	20838	0.33
				08.06.2018	-528	Sale	20310	0.33

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
				25.01.2019	-712	Sale	19598	0.31
				01.02.2019	-5877	Sale	13721	0.22
				08.02.2019	-1227	Sale	12494	0.20
				15.02.2019	-500	Sale	11994	0.19
				29.03.2019	-3290	Sale	8704	0.14
				31.03.2019			8704	0.14
7	SALIL R SHAH	25700	0.41	01-04-2018				
				10-08-2018	2942	Purchase	28642	0.46
				31-03-2019			28642	0.46
8	KIRTI RAJESH SHAH	20396	0.33	01-04-2018				
				31-03-2019		No Change	20396	0.33
9	SUNIL KOTHARI	18003	0.29	01-04-2018				
				31-03-2019		No Change	18003	0.29
10	SURAJKANWARI RAMNIWAS KASAT	16959	0.27	01-04-2018				
				26-10-2018	2000	Purchase	18959	0.3
				31-03-2018			18959	0.3
11	ANJU KAPOOR	11502	18	01-04-2018				
				20-04-2018	10199	Purchase	21701	0.35
				04-05-2018	3003	Purchase	24704	0.40
				11-05-2018	1999	Purchase	26703	0.43
				31-03-2019	1294	Purchase	27997	0.45
							27997	0.45
12	RAJESH KUMAR GOLECHHA	4160	0.07	01-04-2018				
				11-05-2018	200	Purchase	4360	0.07
				01/06/2018	50	Purchase	4410	0.07
				08/06/2018	1600	Purchase	6010	0.10
				15-06-2018	397	Purchase	6407	0.10
				22-06-2018	25	Purchase	6432	0.10
				27-07-2018	1200	Purchase	7632	0.12
				24-08-2018	2750	Purchase	10382	0.17
				07-09-2018	500	Purchase	10882	0.17
				21-09-2018	400	Purchase	11282	0.18
				19-10-2018	431	Purchase	11713	0.19
				26-10-2018	830	Purchase	12543	0.20

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
				02-11-2018	2500	Purchase	15043	0.24
				09-11-2018	1000	Purchase	16043	0.26
				16-11-2018	1300	Purchase	17343	0.28
				23-11-2018	1739	Purchase	19082	0.31
				30-11-2018	1000	Purchase	20082	0.32
				07-12-2018	556	Purchase	20638	0.33
				14-12-2018	779	Purchase	21417	0.34
				21-12-2018	599	Purchase	22016	0.35
				18-01-2019	190	Purchase	22206	0.36
				25-01-2019	551	Purchase	22757	0.37
				01-02-2019	1500	Purchase	24257	0.39
				08-02-2019	1500	Purchase	25757	0.41
				15-02-2019	1098	Purchase	26855	0.43
				22-02-2019	1120	Purchase	27975	0.45
				15-03-2019	1300	Purchase	29275	0.47
				29-03-2019	100	Purchase	29375	0.47
				31-03-2019			29375	0.47

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Shareholders Name	Shareholding at the beginning of the year		Date	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		Increasing/ Decreasing in shareholding	Reason	No.Of shares	
1	Siddhartha Deorah	391850	6.287	01/04/2018				
				06/04/2018	5546	Purchase	411606	6.60
				16/11/2018	2810	Purchase	414416	6.65
				30/11/2018	4065	Purchase	418481	6.71
				14/12/2018	1500	Purchase	419981	6.74
				18/01/2019	6261	Purchase	426242	6.84
				22/02/2019	4950	Purchase	431192	6.92
				31/03/2019			431192	6.92
2	Sharat Deoarh	1164100	18.68	01/04/2018				
				01/03/2019	1700	Purchase	1165800	18.71
				31/03/2019			1165800	18.71
3	Kailash Bubna	1,571	0.03	01/04/2018				
				31/03/2019			1,571	0.03

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6,17,84,350.00	3,02,00,000.00	-	9,19,84,350.00
ii) Interest due but not paid			-	-
iii) Interest accrued but not due			-	-
Total (i+ii+iii)	6,17,84,350.00	3,02,00,000.00	-	9,19,84,350.00
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	2,91,388.00	1,07,50,000.00	-	1,10,41,388.00
Net Change	(2,91,388.00)	(1,07,50,000.00)	-	(1,10,41,388.00)
Indebtedness at the end of the financial year				
i) Principal Amount	6,14,92,962.00	1,94,50,000.00	-	8,09,42,962.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	6,14,92,962.00	1,94,50,000.00	-	8,09,42,962.00

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	60,00,000	60,00,000	1,20,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under	-	-	
2	Stock Option	-	-	
3	Sweat Equity	-	-	
4	Commission	-	-	
	as % of profit	-	-	
	others, specify...	-	-	
5	Others, please specify	-	-	
	Total (A)	60,00,000	60,00,000	1,20,00,000
	Ceiling as per the Act	60,00,000	60,00,000	1,20,00,000

B. Remuneration to other directors:

Sr. No	Particulars of Remuneration	Name of the Director			Total Amount
		Goverdhan Das Agarwal	Kailash Chandra Bubna	Kavita Sharma	
1	Independent Directors				
	• Fee for attending board committee meetings	12,500	12,500	12,500	37,500
	• Commission				
	• Others, please specify				
	Total (1)	12,500	12,500	12,500	37,500
2	Other Non-Executive Directors				
	• Fee for attending board committee meetings				
	• Commission				
	• Others, please specify				
	Total (2)	-	-	-	-
	Total (B)=(1+2)	12,500	12,500	12,500	37,500
	Total Managerial Remuneration				
	Overall Ceiling as per the Act	Rs. 1 Lakhs per Board Meeting			

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	10,40,620	1,80,100	12,20,720
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	10,40,620	1,80,100	12,20,720

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			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Registered Office:
K-56, M.I.D.C,
Tarapur Industrial Area,
Thane – 401 506.
Date: May 23, 2019

For and on behalf of the Board
AURO LABORATORIES LIMITED

SHARAT DEORAH
(DIN: 00230784)
CHAIRMAN & MANAGING DIRECTOR

Form No.MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 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, 2019** according to the provisions of:

- i. The Companies Act, 2013 (the Act) including the Companies (Amendment) Act, 2017 and the rules made thereunder;
- ii. The Companies Ordinance, 2018 and amendments thereto (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.

Further, the Company was engaged in manufacturing activities of pharmaceuticals, the industry specific acts applicable to the Company are as under:

- i. Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules, 1945;
- ii. Indian Boilers Act, 1923;

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

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, Competition law, Environmental laws, etc.

We further report that -

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There are no changes in the compositions of the Board of Directors during the period under review.
- Adequate notice is 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.
- That there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **GMJ & ASSOCIATES**
Company Secretaries

[MAHESH SONI]
PARTNER
FCS: 3706 COP: 2324
PLACE: MUMBAI
DATE: MAY 23, 2019

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

ANNEXURE

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

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

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

For **GMJ & ASSOCIATES**
Company Secretaries

[MAHESH SONI]
PARTNER
FCS: 3706 COP: 2324
PLACE: MUMBAI
DATE: MAY 23, 2019

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 2018-19.

Sr. No.	Name of Director	Designation	Ratio of Remuneration of each Director to Median Remuneration of Employees
1.	Mr. SharatDeorah	Managing Director	19:1
2.	Mr. Siddhartha Deorah	Whole-time Director	19:1
3.	Mr.Govardhan Das Agarwal	Director	NIL
4.	Mr. Kailash Chandra 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 2018-19 compared to 2017-18 means part of the year.

Sr. No.	Name of Director/CFO/CEO/CS/MGR	Designation	% Increase in Remuneration
1.	Mr. SharatDeorah	Managing Director	33.33
2.	Mr. Siddhartha Deorah	Whole-time Director	33.33
3.	Mr.Govardhan Das Agarwal	Director	NIL
4.	Mr. Kailash Chandra Bubna	Director	NIL
5.	Mrs. Kavita V Sharma	Director	NIL
6.	Mr. Amit Shah	CFO	11.18
7.	Ms. Shanu Nag	CS	NIL

3. Percentage increase in the median remuneration of employees in the financial year 2018-19 compared to 2017-18:- 8%
4. Number of permanent employees on the rolls of the Company as on March 31, 2019 :- 72
5. Average percentile increase in the salaries of employees other than managerial personnel:- 8% to 15%.

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, 2019.

- 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/-: 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,
Thane – 401 506.
Date: May 23, 2019

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 2018-2019.

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 House 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 are as under:

Particulars	March 31, 2019	March 31, 2018
I. ELECTRICITY		
a. Purchase Unit (in Lakhs)	16.64	13.37
i. Total Amount (Rs. In Lakhs)	152.40	128.92
ii. Rate / Unit (Rs.)	9.16	9.64
b. Own generation		
(through diesel Generator)	NIL	NIL
II. LIGHT DIESEL OIL LDO/ FURNACE OIL / BRIQUETTE		
(For Production) Quantity (Ltr./kg. In Lakhs)		
a. LDO Ltr.	0.06	0.11
b. FURNACE OIL Ltr.	1.53	0.28
c. BRIQUETTES Kg.	15.48	15.65
Total Amount (Rs. In Lakhs)		
a. LDO	4.23	7.48
b. FURNACE OIL	53.14	6.55
c. BRIQUETTES	113.91	116.00
Average rate per Ltr. /Kg. (Rs.)		
a. LDO Ltr.	70.50	68
b. FURNACE OIL Ltr.	34.74	23.40
c. BRIQUETTES Kg.	7.36	7.42

III. CONSUMPTION PER KG. OF PRODUCTION	March 31, 2019	March 31, 2018
a. Products (Kg.)	1762000	1611408
b. Electricity (Rs.)	8.65	8.00
c. Diesel / FO / Briquette (Rs.)	9.72	8.07

- 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

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

- (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:

Amount in Lakhs

Particulars	March 31, 2019	March 31, 2018
Foreign Exchange outgo		
- CIF Value of Import:	1557.63	938.25
- Foreign travelling expenses:	41.71	16.41
Foreign Exchange earned		
- FOB/CIF / CNF Value of export:	3532.65	2208.18

Registered Office:

K-56, M.I.D.C,
 Tarapur Industrial Area,
 Thane – 401 506.
 Date: May 23, 2019

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 & Concerns:

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 4778.13 Lakhs as against 4130.79 Lakhs in the previous year. The total expenditure during the year under review was 4171.24 Lakhs as against 3658.05 Lakhs in the previous year. The Net Profit after tax was 439.95 Lakhs as against 352.96 Lakhs in the previous 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. It pays special attention to training, welfare and safety of its people, strengthening human capabilities.

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,
Thane – 401 506.
Date: May 23, 2019

For and on behalf of the Board
AURO LABORATORIES LIMITED

SHARAT DEORAH
(DIN: 00230784)
CHAIRMAN & MANAGING DIRECTOR

INDEPENDENT AUDITOR'S REPORT

To
The members of
AURO LABORATORIES LIMITED
Mumbai

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of AURO LABORATORIES LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2019, the statement of profit and loss (Including Other Comprehensive Income), statement of changes in equity, statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (Herein after referred to as "the Ind AS Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S. No.	Key Audit matters	Auditors response
1.	Recognition, measurement, presentation and disclosures of revenues in view of IND AS 18 Revenue Recognition and the accounting treatment of the same Revenue is recognized when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably..	Our audit approach consisted of testing effectiveness of internal control on process to identify the impact of revenue accounting standard. We have selected some samples with relevant information with terms of sales contract including customers acceptance, subsequent invoicing and historical trend of dispute
2.	IND AS 115 revenue contract with customers	The company has evaluated the impact of IND AS 115 on financial statement which is not material same has been assessed by us that there is no impact on financial position.

S. No.	Key Audit matters	Auditors response
3.	Evaluation of tax position	Obtained details of completed income tax assessment and demand till assessment year 2016-17 which are not significant and estimated provision has been made for the year ended 31 st March, 2019
4.	Internal Audit As per section 138 of Indian Companies Act 2013 read with Rule 13 Of Companies (Accounts) Rules, 2014 appointment of Internal Auditor	The company has appointed a firm of Chartered Accountants to carried out Internal Audit function as per section 138 of Companies Act, 2013 has submitted their report to the company.
5.	Indirect tax Recoverability As at 31 st March, 2019 short terms loans and advances includes exports incentive Rs.51.54 lakhs, VAT credit Rs.25.69 lakhs and GST credit Rs.166.51 lakhs. Refer note no.8 to the financial statement	We have involved our expert team on taxation to review the nature of amounts recoverable, the sustainability and the likelihood recoverability upon final resolution.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the management discussion and analysis, Board of Director's Report including Annexure to Director's Report, Business responsibility report, corporate governance and shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed as records available to us and upon reading, if we conclude that there is material misstatement thereon, we are required and shall communicate the matter to those charged with governance. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the IND AS Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 (IND AS) of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the IND AS financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. That Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the IND AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the IND AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable

assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these IND AS financial statements.

A further description of auditor's responsibilities for the audit of the IND AS financial statements is included in **Annexure A**. This description forms part of our auditor's report.

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-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure B** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid IND AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure C**".
 - g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197(16) of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. There is nothing to disclose the impact of pending litigations on its financial position in its Ind As financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **KHURDIA JAIN & CO**
Chartered Accountants
Firm Regn. No. 120263W

[Sampat Khurdia]
Partner
M.NO. 033615

Place: Mumbai
Date : 23rd May, 2019

Annexure “A” of the Independent Auditor’s Report to the Members of **AURO LABORATORIES LIMITED** on the financial statements for the year ended 31st March, 2019.

Responsibilities for audit of Ind AS Financial statement

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **KHURDIA JAIN & CO**
Chartered Accountants
Firm Regn. No. 120263W

[Sampat Khurdia]
Partner
M.NO. 033615

Place: Mumbai
Date : 23rd May, 2019

Annexure “B” of the Independent Auditor's Report to the Members of **AURO LABORATORIES LIMITED** on the financial statements for the year ended 31st March, 2019.

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) According to the information and explanations given to us, the records examined by us and based on the examination of the sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.
- d) 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) In our opinion and according to the information and explanations given to us, the Company has not given any loans, made investments and provided any guarantees and securities, hence provisions of Sections 185 and 186 of the Companies Act, 2013 does not apply to the Company and hence not commented upon.
- iv) 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, Custom Duty, and Goods and Services tax (GST), 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 Income Tax, Custom Duty and Goods and Services tax (GST) for the year.
- 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) 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
- xiv) 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 company is not a nidhi / chit fund company hence our comment as required under clause 3(xii) of the order not given.
- xvi) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where ever applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xvii) The Company is not required to be registered under section 45-IA of the Reserve Bank of India 1934.

For **KHURDIA JAIN & CO**
Chartered Accountants
Firm Regn. No. 120263W

[Sampat Khurdia]
Partner
M.NO. 033615

Place: Mumbai
Date : 23rd May, 2019

Annexure “C” to the Independent Auditor’s Report to the Members of **AURO LABORATORIES LIMITED** on the financial statements for the year ended 31st March, 2019.

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 31st March 2019 in conjunction with our audit of the standalone financial statement of the company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial control based on the internal control over financial reporting criteria established 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 established 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 principles. 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 transactions 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, 2019, 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. 120263W

[Sampat Khurdia]
Partner
M.NO. 033615

Place: Mumbai
Date : 23rd May, 2019

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Balance Sheet as at 31st March, 2019

Particulars		Note	31.03.2019	31.03.2018
			Amount in Rs.	Amount in Rs.
A	ASSETS			
1	(I) Non-Current Assets			
	(a) Property, Plant and Equipment	2	14,58,61,764	13,02,33,293
	(b) Capital Work -in-Progress		11,60,000	1,07,29,041
	(c) Investment Property		-	-
	(d) Financial Assets			
	(i) Investments	3	4,87,982	4,87,982
	(ii) Loans		-	-
	(iii) Others		-	-
	(e) Other non-current assets - Capital Advance		-	-
2	Current assets			
	(a) Inventories	4	3,37,38,119	1,49,09,710
	(b) Financial Assets			
	(i) Investments		-	-
	(ii) Trade Receivables	5	8,50,38,073	8,37,49,192
	(iii) Cash and cash equivalents	6	3,35,88,473	1,79,74,450
	(iv) Bank balances other than (iii) above	7	74,88,066	45,27,178
	(v) Loans		-	-
	(vi) Others	8	2,72,92,386	4,14,23,981
	(c) Other Current Assets		-	-
	TOTAL ASSETS		33,46,54,862	30,40,34,828
B	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share Capital	9	6,23,25,000	6,23,25,000
	(b) Other Equity	10	11,17,95,081	6,74,52,138
	Liabilities			
	(I) Non-Current Liabilities			
	(a) Financial Liabilities	11	6,14,92,962	6,17,84,350
	(i) Other Financial Liabilities	12	1,94,50,000	3,02,00,000
	(b) Provisions		-	-
	(c) Deferred Tax Liabilities (Net)		1,49,66,693	1,44,41,359
	(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	5,18,31,796	5,30,10,906
	(b) Other Current Liabilities	14	78,10,856	73,27,812
	(c) Provisions	15	49,82,474	74,93,262
	(d) Current Tax Liabilities (net)		-	-
	TOTAL EQUITY AND LIABILITIES		33,46,54,862	30,40,34,828
Accounting Policies		1		
Notes to The Accounts		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 : 23.05.2019

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 : 23.05.2019

Statement of Profit and Loss for the year ended 31st March, 2019

	Particulars	Note	year ended	year ended
			31.03.2019	31.03.2018
			Amount in Rs.	Amount in Rs.
A	CONTINUING OPERATIONS			
1	Revenue from operations	16	46,82,31,436	40,79,39,848
2	Other income	17	95,81,595	51,39,179
3	Total revenue (1+2)		47,78,13,030	41,30,79,027
4	Expenses			
	(a) Cost of materials consumed	18.a	30,13,82,287	24,61,65,311
	(b) Purchases of stock-in-trade	18.b	24,91,385	4,06,500
	(c) Changes in inventories of finished goods, work-in-progress and stock in trade	18.c	-1,76,59,080	6,23,925
	(d) Employee benefits expense	19	4,07,07,091	3,69,53,693
	(e) Finance costs	20	72,22,364	1,08,85,138
	(f) Depreciation and amortisation expense	2	1,00,91,512	93,10,618
	(g) Other expenses	21	7,28,88,954	6,14,60,714
	Total expenses		41,71,24,513	36,58,05,899
5	Profit / (Loss) before exceptional items and Tax (3 - 4)		6,06,88,517	4,72,73,129
6	Exceptional items		-	-
7	Profit / (Loss) before Tax (5 + 6)		6,06,88,517	4,72,73,129
8	Tax expense:			
	(a) Current tax expense for current year		1,61,68,579	1,27,34,265
	(b) (Less): MAT credit (where applicable)		-	-
	(c) Current tax expense relating to prior years		-	-
	(d) Net current tax expense		1,61,68,579	1,27,34,265
	(e) Deferred tax		5,25,334	-7,56,481
9	Profit / (Loss) for the period (7 + 8)		4,39,94,604	3,52,95,345
10	Other Comprehensive Income			
	a) i) Items that will not be reclassified to profit and loss		11,24,131	6,39,165
	ii) Income Tax relating to Items that will not be reclassified to profit and loss		-3,12,733	-1,76,106
11	Total Comprehensive Income for the period (9 + 10)		4,48,06,002	3,57,58,404
12	Number of equity shares		62,32,500	62,32,500
13	Earnings per share (of Rs 10/- each):			
	Basic & Diluted (in Rs.) (9/12)		7.06	5.66
	Accounting policies	1		
	Notes to the Accounts	2 to 22		

In terms of our report attached.

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

For and on behalf of the Board of Directors

SHARAT DEORAH
Chairman & Managing Director**SIDDHARTHA DEORAH**
Whole Time Director**SAMPAT KHURDIA**
PARTNER
M. NO. 33615**AMIT SHAH**
Chief Financial Officer**SHANU NAG**
Company SecretaryPlace : Mumbai
Date : 23.05.2019Place : Mumbai
Date : 23.05.2019

Cash Flow Statement for the year ended 31st March, 2019

Particulars	For the year ended 31.03.2019		For the year ended 31.03.2018	
	Amount	Amount	Amount	Amount
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		6,06,88,517		4,72,73,129
Add: Adjustments for:				
Depreciation and amortisation	1,00,91,512		93,10,618	
Other Non Cash Items	8,11,398		4,63,059	
Finance costs	72,22,364	1,81,25,274	1,08,85,138	2,06,58,815
		7,88,13,791		6,79,31,944
Less: Adjustment for:				
Interest income	9,10,319		4,98,643	
Dividend income	2,755		5,576	
		9,13,074		5,04,219
Operating profit / (loss) before working capital changes		7,79,00,717		6,74,27,724
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	-1,88,28,409		-16,51,503	
Trade receivables	-12,88,880		-68,70,616	
Short-term loans and advances	1,09,45,068		-63,19,545	
Long-term loans and advances	31,86,527		-	
Other current assets	-		-	
Other non-current assets	-	-59,85,694		-1,48,41,664
		7,19,15,023		5,25,86,059
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	-11,79,110		37,45,312	
Other current liabilities	4,83,044		7,12,411	
Other long-term liabilities				
Short-term provisions	-25,10,788		34,84,635	
Long-term provisions				
		-32,06,854		79,42,358
		6,87,08,169		6,05,28,418
Cash flow from extraordinary items		-		-
Cash generated from operations		6,87,08,169		6,05,28,418
Net income tax (paid) / refunds		-		-
Net cash flow from / (used in) operating activities (A)		6,87,08,169		6,05,28,418
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advance	-1,61,50,939		-1,80,09,128	
Proceeds from sale of fixed assets			-	
Interest received				

Particulars	For the year ended 31.03.2019		For the year ended 31.03.2018	
	Amount	Amount	Amount	Amount
- Others	9,10,319		4,98,643	
Dividend received				
- Others	2,755		5,576	
		-1,52,37,865		-1,75,04,909
Net income tax (paid) / refunds		-1,66,31,638		-1,28,46,017
Net cash flow from / (used in) investing activities (B)		-3,18,69,503		-3,03,50,926
C. Cash flow from financing activities				
Proceeds from long-term borrowings	-		14,94,777	
Repayment of long-term borrowings	-80,83,385			
Net increase / (decrease) in working capital borrowings	-		-83,37,961	
Proceeds from other short-term borrowings	77,91,997			
Repayment of other short-term borrowings	-1,07,50,000			
Finance cost	-72,22,364		-1,08,85,138	
		-1,82,63,752		-1,77,28,322
Cash flow from extraordinary items		-		-
Net cash flow from / (used in) financing activities (C)		-1,82,63,752		-1,77,28,322
Net increase/(decrease) in Cash & cash equivalents (A+B+C)		1,85,74,914		1,24,49,170
Cash and cash equivalents at the beginning of the year		2,25,01,626		1,00,52,456
Cash and cash equivalents at the end of the year		4,10,76,540		2,25,01,626

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 : 23.05.2019

For and on behalf of the Board of Directors

SHARAT DEORAH
Chairman & Managing Director

AMIT SHAH
Chief Financial Officer

Place : Mumbai
Date : 23.05.2019

SIDDHARTHA DEORAH
Whole Time Director

SHANU NAG
Company Secretary

Statement of Changes in Equity
Equity Share capital

Particulars	Nos.	Rs.
Equity Shares of Rs. 10 each issued, subscribed and fully paid		
Balance at 1st April 2018	62,32,500	6,23,25,000
Changes in equity share capital during the year	-	-
Balance at 31st March 2019	62,32,500	6,23,25,000

Other Equity - Attributable to owners

Particulars	Reserve & Surplus				
	Capital Reserve State subsidy	Capital Reserve Share Premium	Retained Earnings	Comprehensive Income	Total
Balance at 1st April 2018	15,00,000	51,75,000	6,03,14,079	4,63,059	6,74,52,138
Last year Comprehensive trf.to retained earning			-	-4,63,059	-4,63,059
Other Comprehensive income for the year				8,11,398	8,11,398
Profit for the year			4,39,94,604		4,39,94,604
Balance at 31st March 2019	15,00,000	51,75,000	10,43,08,683	8,11,398	11,17,95,081

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 : 23.05.2019

For and on behalf of the Board of Directors

SHARAT DEORAH
 Chairman & Managing Director

AMIT SHAH
 Chief Financial Officer

Place : Mumbai
 Date : 23.05.2019

SIDDHARTHA DEORAH
 Whole Time Director

SHANU NAG
 Company Secretary

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 the business of Active Pharmaceutical Ingredients (APIs).

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

The accompanying Standalone Financial Statements for the year ended March 31, 2019 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.

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 excluding Goods and Service 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 measurementa) 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 analysed.

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. 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

	As on 31.03.19	As on 31.03.18
Unsecured considered good		
Over six months	24,71,868	21,38,388
Less than six months	8,25,66,205	8,16,10,804
Total	8,50,38,073	8,37,49,192

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.

Note 2 : Property, Plant and Equipment

Year ended 31 st March 2019	Lease Hold Land	Factory Buildings	Office Buildings	Roads	Plant & Equipment	Furniture & Fixtures	Vehicles	Computers	Miscellaneous Assets	Laboratory Equipment	Total	Capital Work in Process
Gross Carrying amount												
Carrying amount as at 01.04.2018	4,39,701	2,82,71,385	70,19,447	3,37,634	14,18,45,729	1,28,69,922	18,79,230	21,30,086	11,66,665	1,12,12,197	20,71,71,996	-
Additions		69,59,355			1,17,36,106	1,73,062	63,76,698			4,74,760	2,57,19,982	11,60,000
Disposals												
Closing gross carrying amount	4,39,701	3,52,30,740	70,19,447	3,37,634	15,35,81,835	1,30,42,984	82,55,928	21,30,086	11,66,665	1,16,86,957	23,28,91,978	11,60,000
Accumulated Depreciation	1,19,875	95,01,700	17,78,259	3,37,634	4,66,64,674	88,42,284	7,39,324	18,11,184	6,61,305	64,82,466	7,69,38,705	-
Depreciation charge during the year	4,397	10,38,435	1,11,141	-	65,67,015	7,59,142	4,32,910	1,90,763	68,045	9,19,664	1,00,91,512	-
Disposals												
Closing accumulated depreciation	1,24,272	1,05,40,135	18,89,400	3,37,634	5,32,31,689	96,01,426	11,72,234	20,01,947	7,29,350	74,02,130	8,70,30,217	-
Net carrying amount 31.03.2019	3,15,429	2,46,90,605	51,30,047	-	10,03,50,146	34,41,558	70,83,694	1,28,139	4,37,315	42,84,827	14,58,61,764	11,60,000
Net carrying amount 31.03.2018	3,19,826	1,87,69,685	52,41,188	-	9,51,81,055	40,27,638	11,39,906	3,18,902	5,05,360	47,29,731	13,02,33,293	1,07,29,041

Note 3 : Investments		
Particulars	As at 31.03.2019	As at 31.03.2018
	Total	Total
	Amount in Rs.	Amount in Rs.
Long Term at cost, unless otherwise specified		
A. Trade Investments		
(a) Quoted:		
680 Shares of Zee Entertainment Enterprises Ltd. face value of Rs. 1/- each	4,84,982	4,84,982
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.		
35 Equity Diligent Media Corporation		
1428 Zee entertainment 6% non convertible Pref. Shares		
Total (A)	4,84,982	4,84,982
(b) Unquoted		
35 (5) Shares of worli Ind. Properties Limited of face value of Rs. 100/- each (of the above	3,000	3,000
5 shares were issued on purchase of assets and included in the value of asset.		
Total (B)	3,000	3,000
Total (A+B)	4,87,982	4,87,982
Aggregate amount of quoted investments	4,84,982	4,84,982
Aggregate market value of listed and quoted investments	3,24,191	4,12,518
Aggregate amount of unquoted investments	3,000	3,000

Note 4 : Inventories		
(At lower of cost and net realisable value)		
Particulars	As at 31.03.2019	As at 31.03.2018
	Amount in Rs.	Amount in Rs.
(a) Raw materials	1,41,29,670	1,30,78,166
(b) Work-in-progress	4,97,500	5,00,000
(c) Finished goods (other than those acquired for trading)	1,63,60,875	9,81,575
(d) Stores and spares	4,67,794	3,49,969
(e) Trading stock	22,82,280	-
Total	3,37,38,119	1,49,09,710

Note 5 : Trade receivables		
Unsecured considered good		
Over six months	24,71,868	21,38,388
Others	8,25,66,205	8,16,10,804
Total	8,50,38,073	8,37,49,192

Note 6 : Cash and cash equivalents	As at 31.03.2019	As at 31.03.2018
(a) Cash on hand	19,705	1,11,269
(b) Balances with banks		
(i) In current accounts	3,35,68,768	1,78,63,181
Total	3,35,88,473	1,79,74,450

Note 7 : Bank balances other than (iii) above		
(ii) In deposit accounts		
- Balances held as margin money or security against borrowings, guarantees and other commitments	74,88,066	45,27,178
Total	74,88,066	45,27,178

Note 8 : Other Financial Assets		
Short-term loans and advances		
(a) Prepaid expenses - Unsecured, considered good	1,24,189	3,07,081
(b) Balances with government authorities		
Unsecured, considered good		
(i) Export incentive receivable	51,53,858	35,45,102
(ii) VAT credit receivable	25,68,586	89,80,808
(iii) GST Receivable	1,66,51,372	2,00,17,905
(c) Inter-corporate deposits		
Unsecured, considered good	-	-
Doubtful	-	7,49,633
(d) Others (specify nature)		
Unsecured, considered good	72,472	19,15,017
Doubtful	-	-
Long-term loans and advances		
(a) Security deposits		
With Government Bodies	11,04,875	11,04,875
With others	7,13,138	4,68,138
(b) MAT Credit Entitlements	9,03,896	43,35,423
Total	2,72,92,386	4,14,23,981

Note 9 Share capital				
Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised				
Equity shares of Rs 10 each	70,00,000	7,00,00,000	70,00,000	7,00,00,000
(b) Issued, Subscribed and fully paid up				
Equity shares of Rs 10 each	62,32,500	6,23,25,000	62,32,500	6,23,25,000
Total	62,32,500	6,23,25,000	62,32,500	6,23,25,000

Notes:

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

Equity shares				
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	62,32,500	6,23,25,000	62,32,500	6,23,25,000
Shares issued during the year	Nil	Nil	Nil	Nil
Shares bought back during the year	Nil	Nil	Nil	Nil
Redemption of shares	Nil	Nil	Nil	Nil
Shares outstanding at the end of the year	62,32,500	6,23,25,000	62,32,500	6,23,25,000

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

	Number	%	Number	%
Siddhartha Deorah	4,31,192	6.92	4,06,060	6.52
Auro Impex Private Limited	11,68,781	18.75	11,68,781	18.75
Sharat Deorah	11,65,800	18.71	11,64,100	18.68

Note 10 Other Equity				
Capital Reserve Account				
State Cash Subsidy		15,00,000		15,00,000
Share Premium Account		51,75,000		51,75,000
TOTAL		66,75,000		66,75,000
Profit & Loss Account				
As per Last Balance Sheet		6,07,77,138		2,51,30,486
Net Profit/(Loss) for the year		4,39,94,604		3,52,95,345
Amount available for appropriation		10,47,71,743		6,04,25,831
Opening Comprehensive Income Reversed (Net of Tax)		-4,63,059		-1,11,752
Comprehensive Income (Net of Tax)		8,11,398		4,63,059
Closing Balance		10,51,20,081		6,07,77,138
Total		11,17,95,081		6,74,52,138

Note 11 : Financial Liabilities		
Particulars	As at 31.03.2019	As at 31.03.2018
	Amount	Amount
Secured Loans		
(b) Term loan from Bank		
From banks	2,61,73,291	3,42,56,676
(Exclusive charge by way of hypothecation of office and factory building)		
(a) Loans repayable on demand		
From banks		
Secured	3,53,19,671	2,75,27,674
(Exclusively hypothecation charge on the entire Stocks, Book Debts and Other current assets)		
Total	6,14,92,962	6,17,84,350

Note 12 : Other Financial Liabilities		
Loans from related parties		
Unsecured - From Corporates	1,94,50,000	3,02,00,000
Total	1,94,50,000	3,02,00,000

Note 13 : Trade Payables		
Due to other than Micro and small Enterprises	5,18,31,796	5,30,10,906
Total	5,18,31,796	5,30,10,906

Note 14 : Other Current Liabilities		
(i) Payables on purchase of fixed assets	15,42,887	23,90,994
(ii) Others	62,67,969	49,36,818
Total	78,10,856	73,27,812

Note 15 : Provisions		
(i) Statutory remittances payable	21,58,085	45,51,926
(iii) Contractual expenses payable	28,24,389	29,41,336
Total	49,82,474	74,93,262

Note 16 Revenue from operations			
	Particulars	For the year ended	For the year ended
		31st March, 2019	31st March, 2018
		Amount in Rs.	Amount in Rs.
(a)	Sale of products @ (Refer Note (i) below)	45,56,40,673	40,09,21,701
(b)	Other operating revenues (Refer Note (ii) below)	1,25,90,763	70,18,147
	Total	46,82,31,436	40,79,39,848
Note (i)	Sale of products comprises		
	Sale of manufactured goods	45,54,63,677	40,03,23,179
	Sale of traded goods	1,76,997	5,98,522
	Total - Sale of products	45,56,40,673	40,09,21,701
Note(ii)	Other operating revenues # comprise:		
	Duty drawback and MEIS incentives	1,25,90,763	70,18,147
	Total - Other operating revenues	1,25,90,763	70,18,147

Note 17 Other income			
(a)	Interest income (Refer Note (i) below)	9,10,319	4,98,643
(b)	Dividend income:		
	from long-term investments		
	others	2,755	5,576
(c)	Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	310	1,45,166
(d)	Net Foreign Exchange Gain	86,68,210	44,89,794
	Total	95,81,595	51,39,179
Note (i)	Interest income comprises:		
	Interest from banks on:		
	deposits	4,80,607	3,99,940
	Others	4,29,712	98,703
	Total - Interest income	9,10,319	4,98,643
Note(ii)	Other non-operating income comprises:		
	Misc. Receipts	302	1,35,620
	Sundry Balacne W/off	8	-
	Commission Recd.	-	9,546
	Total - Other non-operating income	310	1,45,166

Note 18.a : Cost of materials consumed		
Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
	Amount in Rs	Amount in Rs
Opening stock	1,34,28,135	1,11,52,707
Add: Purchases	30,25,51,616	24,84,40,739
Less: Closing stock	1,45,97,464	1,34,28,135
Cost of material consumed	30,13,82,287	24,61,65,311
Total	30,13,82,287	24,61,65,311

Note 18.b : Purchase of traded goods		
Traded good	24,91,385	4,06,500
Total	24,91,385	4,06,500

Note 18.c : Changes in inventories of finished goods, work-in-progress and stock-in-trade		
<u>Inventories at the end of the year:</u>		
Finished goods	1,63,60,875	9,81,575
Work-in-progress	4,97,500	5,00,000
Stock-in-trade	22,82,280	-
	1,91,40,655	14,81,575
<u>Inventories at the beginning of the year:</u>		
Finished goods	9,81,575	11,05,500
Work-in-progress	5,00,000	10,00,000
Stock-in-trade	-	-
	14,81,575	21,05,500
Net (increase) / decrease	-1,76,59,080	6,23,925

Note 19 : Employee benefits expense		
Salaries and wages	2,78,94,437	2,72,40,736
Contributions to provident and other funds	4,94,518	4,09,399
Staff welfare expenses	2,80,636	2,66,058
Director Remunetation	1,20,00,000	90,00,000
Directors Setting Fees	37,500	37,500
Total	4,07,07,091	3,69,53,693

Note 20 : Finance costs		
(a) Interest expense to:		
(i) Banks	49,28,767	69,84,108
(ii) Others	22,93,597	39,01,030
Total	72,22,364	1,08,85,138

Note 21 : Other expenses		
Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	Amount in Rs.	Amount in Rs.
Consumption of stores and spare parts	13,93,249	14,19,819
Power and fuel	1,58,36,235	1,36,37,191
Water	5,72,056	11,41,301
Repairs and maintenance - Buildings	8,83,678	5,75,517
Repairs and maintenance - Machinery	18,06,874	16,48,122
Repairs and maintenance - Others	6,76,479	4,36,605
Insurance	3,79,995	4,31,897
Rates and taxes	21,32,595	14,21,032
Communication	2,97,941	3,49,515
Travelling and conveyance	60,22,871	33,46,122
Printing and stationery	10,16,276	11,09,326
Freight and forwarding	84,53,604	66,95,576
Commission & Brokerage	30,420	1,44,887
Laboratory Chemicals	3,95,326	13,44,168
Factory and Office Expenses	80,06,584	70,34,374
Bank Charges	15,13,517	12,49,181
Profession Tax (Company)	2,500	2,500
Profession Tax (Directors)	10,000	10,000
Export Expenses	90,39,022	60,33,656
Donations and contributions	40,15,000	28,60,000
Legal and professional	27,03,500	37,13,534
Payments to auditors (Refer Note (i) below)	1,50,000	1,50,000
Miscellaneous expenses	75,51,232	67,06,391
Total	7,28,88,954	6,14,60,714
Notes:		
Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	Amount in Rs.	Amount in Rs.
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	1,00,000	1,00,000
For taxation matters	50,000	50,000
Total	1,50,000	1,50,000

22. Notes on Financial Statements:

I.	CONTINGENT LIABILITIES AND COMMITMENTS	2019	2018
	A. Contingent liabilities and commitments*	3,13,34,037	2,80,14,375
	B. Claims against the Company not acknowledged as debts	NIL	NIL
	C. Estimated amount of contracts remaining to be executed on capital account and not provided for	NIL	NIL
	* Contingent liabilities include Letter of Credit.		
II.	The Income Tax Assessments of the Company have been completed up to Assessment year 2016-17.		
III.	EARNINGS PER SHARE (EPS)		
	Earnings		
	Net Profit for the year (net of taxes)	4,39,94,604	3,52,95,345
	Shares		
	Number of equity shares at the beginning of the year	62,32,500	62,32,500
	Number of Equity shares outstanding at the end of the year	62,32,500	62,32,500
	Weighted average number of equity shares Outstanding during the year	62,32,500	62,32,500
	Earnings per share of par value Rs. 10 – Basic	7.06	5.66
	- Diluted	7.06	5.66
IV.	RELATED PARTY DISCLOSURES		
	A. Related parties where control exists or where significant influence exists and with whom transaction have taken place during the year.		
	Associate Company		
	1. Aurolmpex Pvt. Limited		
	Key Management personnel Represented on the board		
	1. Shri SharatDeorah - Managing director		
	2. Shri Siddhartha Deorah – Whole Time Director		
	Non Executive/Independent Directors on the Board		
	1. Shri Kailash Chandra Bubna		
	2. Shri Goverdhandas Aggarwal		
	3. Smt. Kavita V. Sharma		
	B. The following is a summary of significant related party transactions:		
	1. Interest paid to Aurolmpex Pvt. Limited	20,52,665	25,34,757
	2. Loan received from Aurolmpex Pvt. Limited	Nil	Nil
	3. Loan repaid to Aurolmpex Pvt. limited	20,50,000	85,00,000
	4. The Company has the following outstanding dues at year end: Aurolmpex Pvt. limited	1,94,50,000	2,15,00,000
	C. Remuneration		
	1. Remuneration paid to Director	1,20,00,000	90,00,000

V. RAW MATERIAL PURCHASED DURING THE YEAR	2019	2018
Packing Material	1,64,60,526	1,11,11,023
Raw Material	28,60,91,090	23,73,29,717
Total	30,25,51,616	24,84,40,740
VI. DETAILS OF IMPORTED AND INDIGENOUS RAW MATERIALS, SPARES AND PACKING MATERIAL CONSUMED:		
Raw Materials		
Imported	15,57,62,907	9,38,24,609
Indigenous	14,67,88,709	15,46,16,131
VII. CIF VALUE OF IMPORTS		
1. Raw Material	15,57,62,907	9,38,24,609
VIII. EARNINGS IN FOREIGN CURRENCY		
1. Exports on CIF Basis	35,32,65,075	22,08,18,393
IX. EXPENDITURE IN FOREIGN CURRENCY		
1. Travelling	41,71,070	16,41,038
2. Commission on Export	Nil	Nil
X. SEGMENT INFORMATION		
Based on the guiding principles given in the Accounting Standard 17 on "Segment Reporting" issued by The Institute of Chartered Accountants of India, the Company is a single segment Company engaged in the business of Bulk Drugs.		
XI. DEFERRED TAX ASSETS/ LIABILITIES		
A. Deferred Tax Assets		
a. Carried forward Losses	Nil	Nil
b. Unabsorbed Depreciation	Nil	Nil
Total A	Nil	Nil
B. Deferred Tax Liabilities		
a. Difference in Block Value of Fixed Assets	5,28,94,424	4,80,83,302
b. Mat Credit Carried Forward	9,03,896	43,35,423
Total B	5,37,98,320	5,24,18,725
Deferred Tax Liabilities/ Assets [A-B]	5,37,98,320	5,24,18,725
Tax on Deferred Tax Liabilities/Assets	1,49,66,693	1,44,41,359
XII. Previous year's figures have been regrouped, rearranged and reclassified wherever necessary.		

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 : 23.05.2019

For and on behalf of the Board of Directors

SHARAT DEORAH
Chairman & Managing Director

AMIT SHAH
Chief Financial Officer

Place : Mumbai
Date : 23.05.2019

SIDDHARTHA DEORAH
Whole Time Director

SHANU NAG
Company Secretary

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AURO LABORATORIES LIMITED

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

ATTENDANCE SLIP

DP ID*		Client ID*	
Folio No.		No. of Share(s)	

Name & Address of Shareholder :

I/We hereby record my / our presence at the 30th Annual General Meeting of the Company held on Friday, September 6, 2019 at 11:00 A.M at Reyansh Grand Hotel situated at P-47, Tarapur-Boisar MIDC Opp.Lavino Kapur Company, Salwad Road,Boisar(W) Dist-Palghar 401504.

 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, 2013and Rule 19(3) of the Companies (Management and Administration) Rules, 2014.

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

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

- Name: Address:
 E-mail Id: Signature:or failing him
- Name: Address:
 E-mail Id: Signature:or failing him
- Name: Address:
 E-mail Id: Signature:

and as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on Friday, September 6, 2019 at 11:00 A.M at Reyansh Grand Hotel situated at P-47, Tarapur-Boisar MIDC Opp.Lavino Kapur Company, Salwad Road,Boisar(W) Dist-Palghar 401504 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars	For	Against
Ordinary Business			
1.	To approve and adopt Audited Financial Statement, for the year ended March 31, 2019 and reports of the Board of Directors and Auditors thereon.		
2.	To appoint a Director in place of Mr. Siddhartha Deorah, (DIN: 00230796), who retires by rotation and being eligible, offers himself for re-appointment.		
Special Business			
3.	Re-appointment of Mr. Sharat Deorah as Chairman & Managing Director of the Company.		
4.	Re-appointment of Mr. Siddhartha Deorah as Whole Time Director of the Company.		

Signed this..... day of2019.

Signature of Shareholder: _____

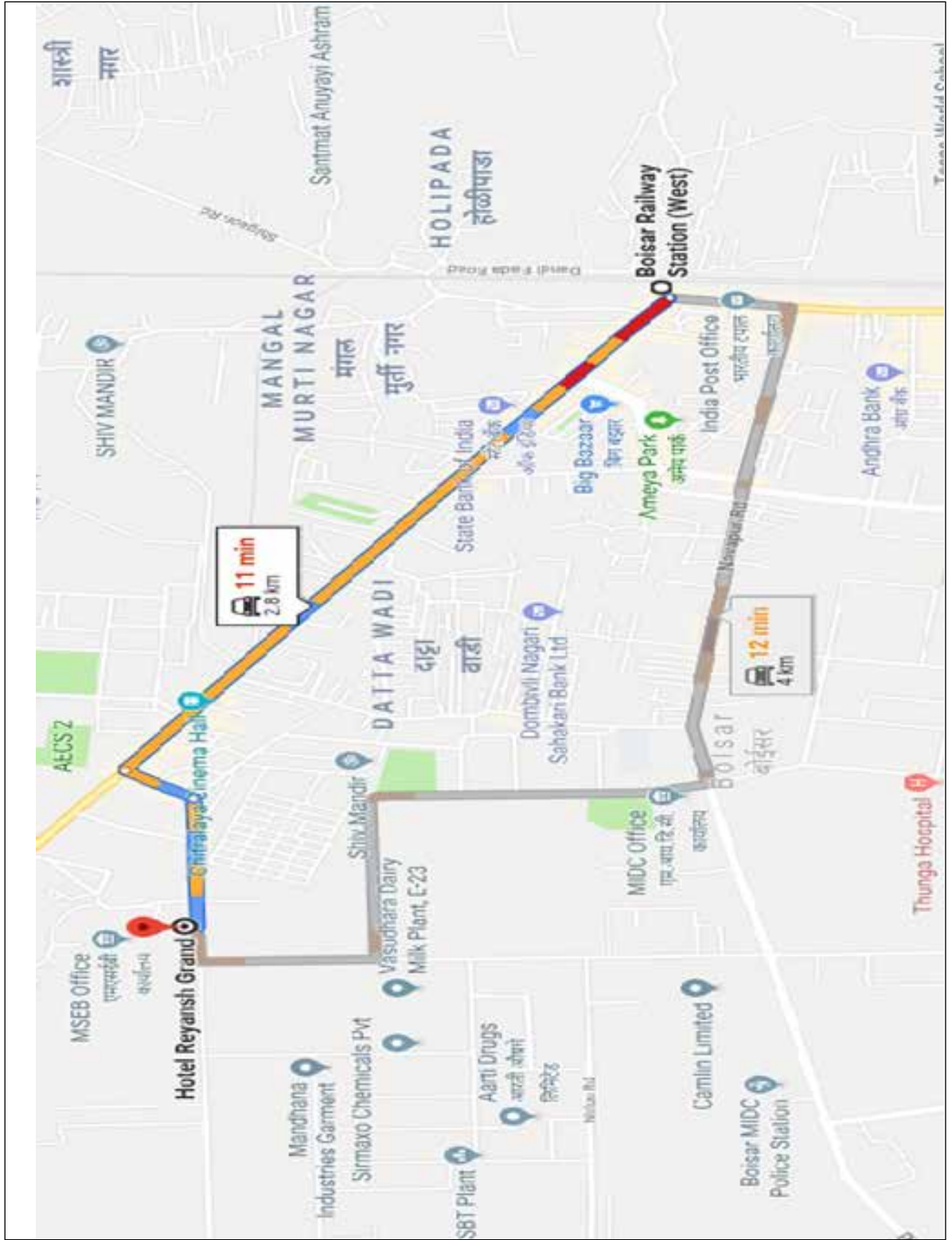
Signature of Proxy holder(s): _____

Affix Revenue Stamp of Rs.1

Note:

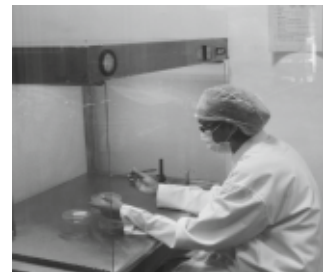
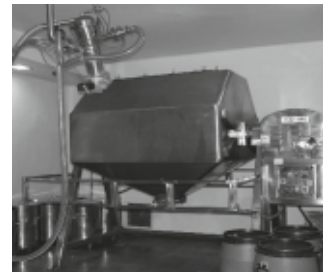
- (1) This form duly completed should be deposited at the Registered Office of the Company Not later than 48 hours before the commencement of 30th Annual General Meeting of the Company.
- (2) For the resolution, Explanatory Statement and Notes, please refer to Notice of the Annual General Meeting.
- (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.

The Route Map to the Annual General Meeting
Venue: Reyanish Grand Hotel
P-47, Tarapur-Boisar MIDC Opp.Lavino Kapur Company, Salwad Road, Boisar (W) Dist-Palghar 401504





NOTES



Active Pharmaceutical Ingredients

Sustainable Quality

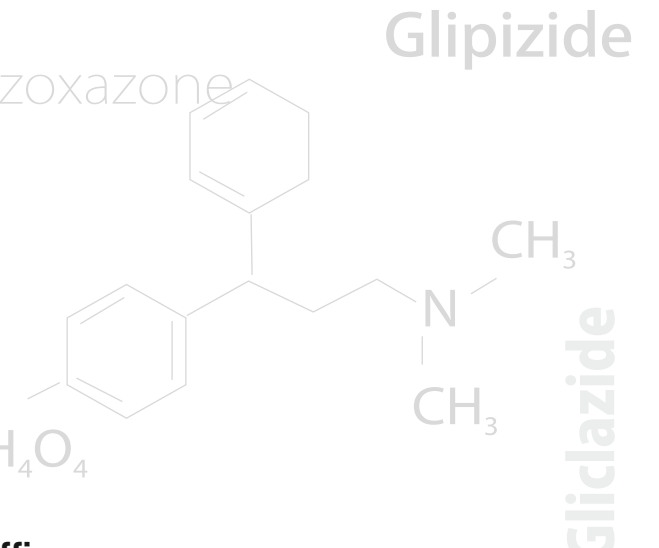
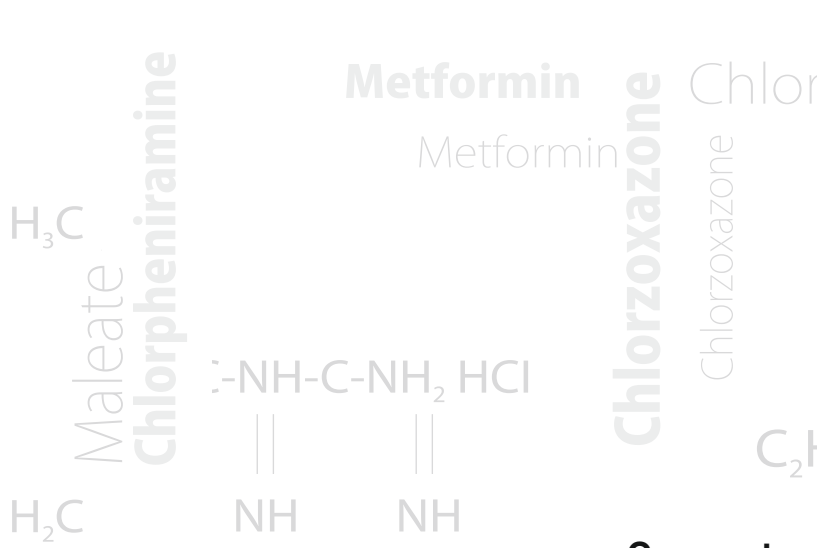
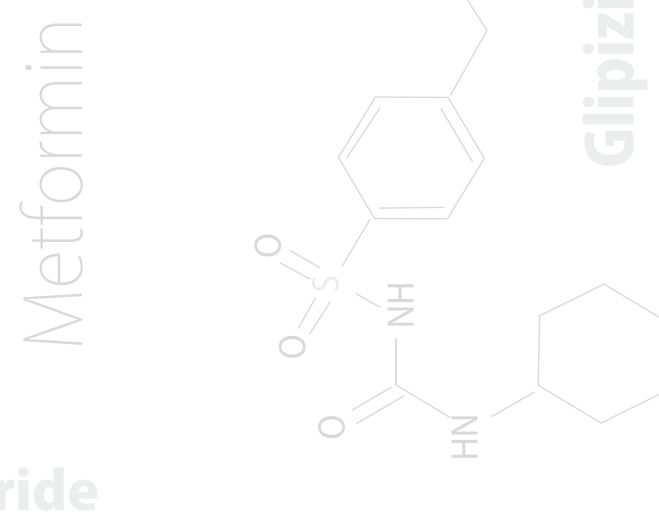
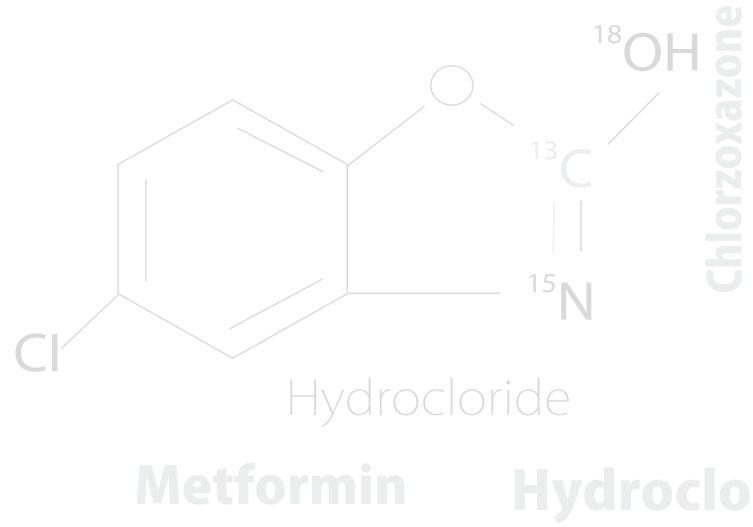
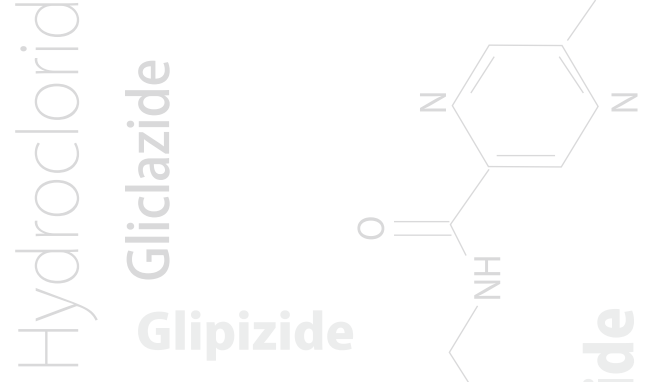
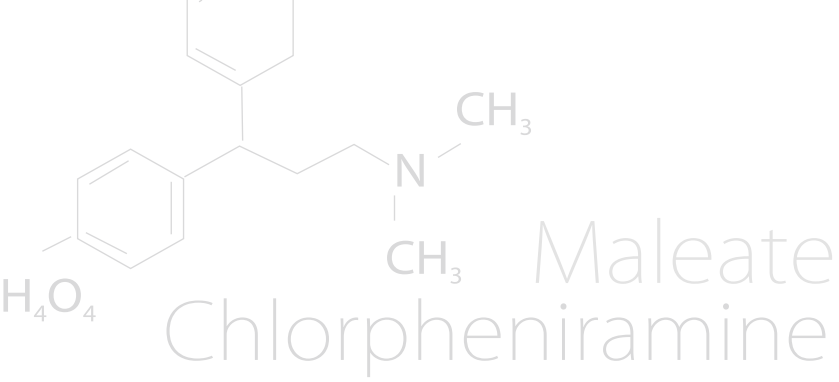
EUGMP

EDQM Inspected

WHO GMP

Global Customers





Corporate office :
 314, T.V. Industrial Estate, Ahire Marg, Worli, Mumbai 400 030.
 Tel : + 91 22 6663 5456 Fax : + 91 22 6663 5460
 E-Mail : auro@aurolabs.com
 Website : www.aurolabs.com

**Registered office /
 Manufacturing Unit:**
 K-56, M.I.D.C. Tarapur, Maharashtra - 401 506.
 CIN No. L33125MH1989PLC051910

