

ANNUAL REPORT 2019-2020



AURO
Laboratories Limited



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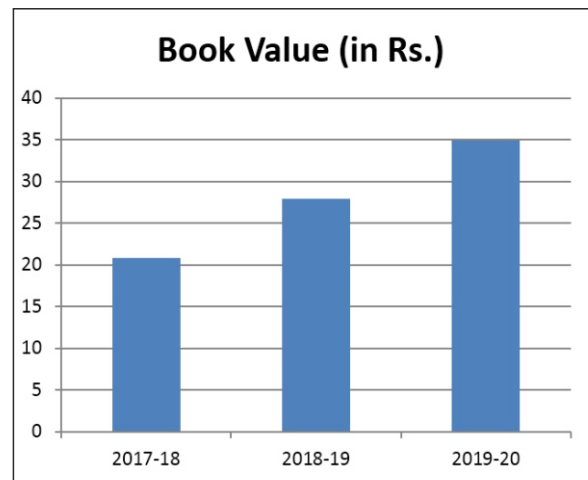
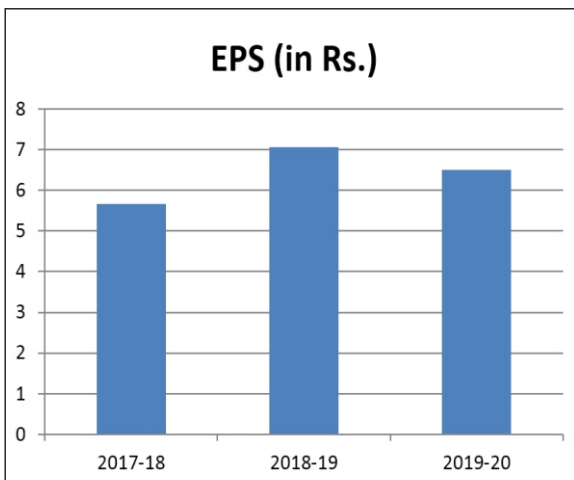
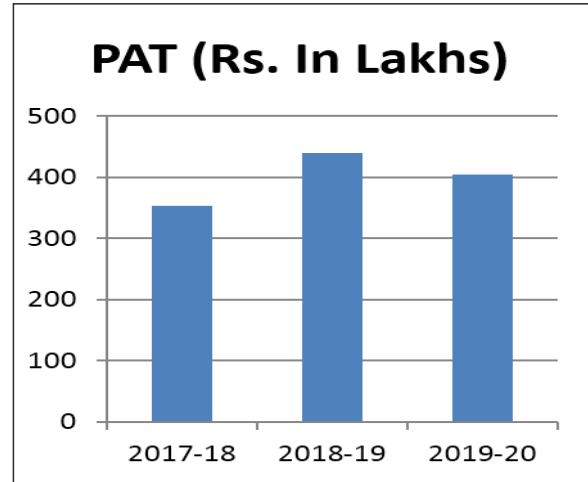
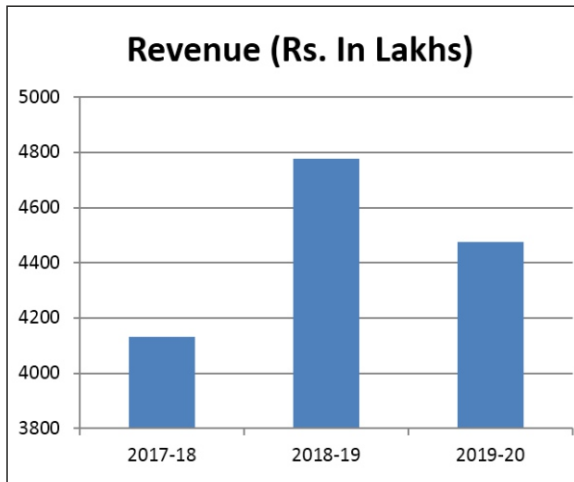
API PRODUCTS

Metformin Hydrochloride

Chlorzoxzone

Chlorphenamine Maleate

Performance Indicators



AURO LABORATORIES LIMITED

CIN: L33125MH1989PLC051910

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL :

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

COMPANY SECRETARY & COMPLIANCE OFFICER:

Mrs. Shanu Nag

REGISTERED OFFICE & FACTORY:

K-56, M.I.D.C., Industrial Area, Tarapur,
Boisar, Dist. Palghar (Thane) – 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

SECRETARIAL AUDITORS:

M/s. GMJ & Associates
Company Secretaries

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 31st Annual General Meeting (AGM) of the Members of **Auro Laboratories Limited** (CIN: L33125MH1989PLC051910) will be held on **Monday, September 28, 2020 at 11.00 a.m. (IST)** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact, with or without modification(s) the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2020, including the audited Balance Sheet as at March 31, 2020, 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 Ms. Kavita Sharma (DIN 07139910) who retires by rotation and being eligible, offers herself for re-appointment.

Registered Office:

K-56, M.I.D.C,
Tarapur Industrial Area,
Thane – 401 506.
Date: August 31, 2020
Place: Mumbai

For and on behalf of the Board
AURO LABORATORIES LIMITED

SHARAT DEORAH
(DIN: 00230784)
CHAIRMAN & MANAGING DIRECTOR

NOTES:

1. In view of the situation arising due to COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020, respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/ CMD1/ CIR /P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 31st AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of Members at a common venue. The deemed venue for the 31st AGM shall be the Registered Office of the Company.
2. Since this AGM is being held pursuant to the MCA circulars through VC/OAVM, physical attendance of Members has been dispensed with and there is no provision for the appointment of proxies. Accordingly, the facility for appointment of proxies by the Members under Section 105 of the Act will not be available for the 31st AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.
4. The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. Participation of Members through VC /OAVM will be reckoned for the purpose of quorum for the 31st AGM as per section 103 of the Companies Act, 2013 ("the Act").

6. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice calling the Annual General Meeting, Corporate Governance Report, Directors' Report, Audited Financial Statements, Auditors' Report, etc. are being sent only through electronic mode to those Members whose email addresses are registered with the RTA / Depositories. Members may note that the Notice and Annual Report 2020 will also be available on the Company's website www.aurolabs.com, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and Notice of AGM on the website of CDSL i.e. www.evotingindia.com.

Members who have not registered their email addresses are requested to register the same for receiving all communication from time to time including Annual Report, Notices, Circulars, etc. from the Company electronically.

- a. For Members holding shares in physical form, please send scanned copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self- attested copy of the PAN and any document (such as Driving License, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company/RTA at: agm@aurolabs.com or support@purvashare.com
 - b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
7. In all correspondence with the Company/RTA, 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.
8. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
9. Corporate Members intending to authorize their representatives to participate and vote at the meeting are requested to email a certified copy of the Board resolution / authorization letter to the Company at agm@aurolabs.com or upload on the VC portal / e-voting portal.
10. Additional information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment / re-appointment 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	Mrs. Kavita Sharma
Director Identification Number (DIN)	07139910
Date of Birth	September 25, 1964
Age	55 Years
Brief resume & Nature Of expertise in specific functional areas	She is associated with the Company since March 27, 2015 and has an experience of over 10 years in the field of Marketing.
Disclosure of relationship between directors inter-se	Not Applicable
Names of listed entities in which the person also holds the directorship and the membership of Committees of the Board	Not Applicable
No. of Shares held in the Company	Nil
Membership & Chairmanships of Committees of the Board	Membership Nomination & Remuneration

11. The business set out in the Notice will 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 The voting facility through electronic voting system shall be made available during the AGM and members attending the meeting through VC who have not cast their vote by remote e-voting shall be able to exercise their right during the meeting through electronic voting system.
12. The process and manner for e-voting and process of joining meeting through video conferencing alongwith other details also forms part of the Notice.
13. The Register of Members and the Share Transfer Books of the Company will remain closed from September 22, 2020 to September 28, 2020 (both days inclusive)
14. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company through email at agm@aurolabs.com at least seven days before the date of the meeting.
15. Members holding Shares in physical form are requested to notify immediately any change in their postal address, email address, telephone/mobile number, Permanent Account Number (PAN), etc. 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

16. 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.
17. 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.
18. The statutory registers including register of directors and key managerial personnel and their shareholding, the register of contracts or arrangements in which directors are interested maintained under the Companies Act, 2013 and all other documents referred to in the notice will be available for inspection in electronic mode. Members who wish to inspect the register are requested to write to the company by sending e-mail to agm@aurolabs.com

19. Voting through electronic means:

➤ **INSTRUCTIONS TO SHAREHOLDERS FOR VOTING THROUGH ELECTRONIC MEANS PRIOR TO AGM**

- (i) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 8, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

The Company has engaged the services of Central Depository Services Limited (CDSL) as the Agency to provide e-voting facility. 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 Mr. Mahesh Soni, failing him, Ms. Sonia Chettiar, Partners of GMJ & Associates, Company Secretaries, as Scrutiniser to scrutinize the votes cast through remote e-voting and during AGM in a fair and transparent manner.
- (iii) The members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
- (iv) Voting rights shall be reckoned on the paid up value of shares registered in the name of the member /beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. September 21, 2020
- (v) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. September 21, 2020 only shall be entitled to avail the facility of e-voting / remote e-voting.
- (vi) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. September 21, 2020, may obtain the User ID and password from Purva Share registry (India) Private Limited (Registrar & Transfer Agent of the Company).
- (vii) The Scrutiniser, after scrutinizing the votes cast during the meeting and through remote e-voting, will not later than 48 Hours of conclusion of the Meeting, make a consolidated scrutiniser's report and submit the same to the Chairperson. The results declared along with the consolidated scrutiniser's report shall be placed on the website of the Company (www.aurolabs.com,) and on the website of CDSL www.evotingindia.com. The results shall simultaneously be communicated to the Stock Exchange.
- (viii) 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 28, 2020

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins at 9.00 a.m. (IST) on September 25, 2020 and ends at 5.00 p.m. (IST) on September 27, 2020 During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 21, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the Meeting.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders/Members.
- (v) 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.OR
Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.
- (vi) Next enter the Image Verification as displayed and Click on Login.

(vii) 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.

(viii) 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"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
DOB and Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both 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 (v).

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

(x) 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 on 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.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant AURO LABORATORIES LIMITED on which you choose to vote.

(xiii) 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.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) 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.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xviii) 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.

(xix) 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.

(xx) 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; agm@aurolabs.com if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

(xxi) If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at HYPERLINK “<http://www.evotingindia.com>” www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

(xxi) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

➤ **THE INSTRUCTIONS TO SHAREHOLDERS ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system.

Shareholders may access the same at <https://www.evotingindia.com> under Shareholders / Members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to members on first come first served basis.

2. Shareholders are encouraged to join the Meeting through Laptops / I-Pads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at agm@aurolabs.com
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at agm@aurolabs.com. The shareholders who do not wish to speak

during the AGM but have queries may send their queries in advance prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at agm@aurolabs.com. These queries will be replied to by the company suitably by email.

7. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at agm@aurolabs.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

Instructions for shareholders voting electronically during the AGM are as under:

- (i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- (ii) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- (iii) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- (iv) Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have great pleasure in presenting the Thirty-first (31st) Annual Report, together with the Audited Financial Statements of the Company for the financial year ended March 31, 2020.

FINANCIAL HIGHLIGHTS:

[Amount in Lakhs except EPS]

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Revenue from operation (Net of tax)	4379.06	4682.31
Other Income	97.26	95.82
Total Revenue	4476.32	4778.13
Profit before Finance Cost and Depreciation	713.14	780.23
Less: Finance Cost	46.63	72.22
Less: Depreciation & Amortization expenses	102.33	100.92
Profit Before Tax	564.18	606.89
Provision for -- Current Tax	152.48	161.69
-- Deferred Tax	6.25	5.25
Net Profit After Tax	405.45	439.95
Other Comprehensive Income (Net of tax)	11.22	8.11
Total Comprehensive Income After Tax	416.67	448.06
Earning Per Share (Basic & Diluted)	6.51	7.06

OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE:

During the year under review, your Company has achieved total revenue of Rs. 4476.32 Lakhs as against Rs.4778.13 Lakhs in the previous year. The Profit after tax was Rs. 405.45 Lakhs as against Profit of Rs.439.95 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.

IMPACT ON BUSINESS OPERATIONS OF YOUR COMPANY ON ACCOUNT OF COVID-19 PANDEMIC:

The sudden spread of Covid-19 pandemic and consequent Country wide lockdown since end of March 2020 has affected the world economy adversely and has also impacted temporarily your Company's manufacturing location in the last fortnight of the Financial Year. We were unable to execute confirmed orders that would have brought about more positive results.

To safeguard interest of the public at large from this epidemic, the Indian Government including various State Governments and Municipal Authorities have issued various advisory directives including restrictions on movement of public and other means of transport. In accordance with the directives of the Government and in order to ensure health and wellbeing of all employees Work from Home policy was brought in place for your Company's employees.

The company has made every effort to keep the manufacturing activities on schedule and at capacity while taking all the requisite precautions. We are also hopeful that the demand for the API's in the world market does not fall significantly as in most cases the Pharmaceutical companies the world over are still manufacturing and supplying the required drugs. Further, your Company has adequate resources to sustain the impact of Covid-19 and does not foresee any material adverse impact in the medium to long term on its business.

DIVIDEND:

To consolidate the financial position of the Company, the Board does not propose any dividend for the year ended March 31, 2020.

TRANSFER TO RESERVES:

No amount is proposed to be transferred to Reserves out of the profits earned during the Financial Year 2019-2020.

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.

CAPITAL STRUCTURE OF THE COMPANY:

➤ **Authorized Share Capital:-**

The Authorized Capital of the Company as at March 31, 2020 was Rs.7,00,00,000/- (Rupees Seven Crores only) divided into 70,00,000 (Seventy Lakhs) equity shares of 10/- each.

➤ **Issued, Subscribed & Paid-up share Capital:-**

The Paid up Equity share Capital, as at March 31, 2020 was Rs.6,23,25,000/- (Rupees Six Crores Twenty-Three Lakhs Twenty-Five Thousand only) divided into 62,32,500 (Sixty-Two Lakhs Thirty-Two Thousand Five Hundred) 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.

SUBSIDIARIES, JOINT VENTURES & ASSOCIATE COMPANIES:

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

CHANGE IN THE NATURE OF BUSINESS:

There was no change in the nature of business activities during the financial year 2019-20.

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.

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL:

DIRECTORS

➤ **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, 2020.

➤ **Re-appointments:**

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

The Shareholders at their meeting held on September 6, 2019 have approved 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 and Mr. Siddhartha Deorah as Whole-Time Director of the Company for a period of 3 years, w.e.f. April 01, 2019.

KEY MANAGERIAL PERSONNEL:

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

Sr. No.	Name of Personnel	Designation
1.	Mr. Sharat Deorah	Chairman and Managing Director
2.	Mr. Siddhartha Deorah	Whole-time Director
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.

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 The SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

Further, pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all directors have completed the registration with the Independent Directors Databank. Requisite disclosures have been received from the directors in this regard.

EXTRACT OF ANNUAL RETURN:

As required under Section 134(3)(a) & Section 92(3) of the Act, the Annual Return is put up on the Company's website and can be accessed at www.aurolaboratories.com & Extracts of the Annual return in form MGT 9 for the Financial Year 2019-20 is uploaded on the website of the Company and can be accessed at www.aurolaboratories.com

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

The Board of Directors of your Company met 4 (Four) times during the Year i.e. on May 23, 2019, August 7, 2019, October 22, 2019 and February 4, 2020 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 (2019-2020)				No. Meetings Entitled to Attend	No. of Meetings Attended	Last AGM Attended
		May 23, 2019	Aug 7, 2019	Oct 22, 2019	Feb 4, 2020			
Mr. Sharat Deorah	Executive Director	Yes	Yes	Yes	Yes	4	4	Yes
Mr. Siddhartha Deorah	Executive Director	Yes	Yes	Yes	Yes	4	4	Yes

Name of the Members	Category	Board Meetings (2019-2020)				No. Meetings Entitled to Attend	No. of Meetings Attended	Last AGM Attended
		May 23, 2019	Aug 7, 2019	Oct 22, 2019	Feb 4, 2020			
Mr. Govardhan Das Agarwal	Non-Executive Independent Director	Yes	Yes	Yes	Yes	4	4	Yes
Mr. Kailash Chandra Bubna	Non-Executive Independent Director	Yes	Yes	Yes	Yes	4	4	Yes
Mrs. Kavita Sharma	Non-Executive Director	Yes	Yes	Yes	Yes	4	4	Yes

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;
- The Directors had prepared the annual accounts on a going concern basis;
- 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;
- 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.

COMMITTEES OF THE BOARD:

Currently the Board has 4 (Four) Committees: Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility 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:

➤ AUDIT COMMITTEE:

The Audit Committee of the Company is constituted in accordance with Regulation 18 of The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and 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 23, 2019, August 7, 2019, October 22, 2019 and February 4, 2020 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	AC Meetings Dates (2019-2020)				No. Meetings Entitled to Attend	No. of Meetings Attended
		May 23, 2019	Aug 7, 2019	Oct 22, 2019	Feb 4, 2020		
Mr. Kailash Chandra Bubna	Chairperson Non-Executive Independent Director	Yes	Yes	Yes	Yes	4	4
Mr. Govardhan Das Agarwal	Non-Executive Independent Director	Yes	Yes	Yes	Yes	4	4
Mr. Siddhartha Deorah	Executive Director	Yes	Yes	Yes	Yes	4	4

➤ **NOMINATION & REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee of the Company is constituted in accordance with Regulation 19 of The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and 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 The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Committee met Two (2) times during the year on May 23, 2019 and October 22, 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 (2019-2020)		No. Meetings Entitled to Attend	No. of Meetings Attended
		May 23, 2019	Oct 22, 2020		
Mr. Kailash Chandra Bubna	Chairperson Non-Executive Independent Director	Yes	Yes	2	2
Mr. Govardhan Das Agarwal	Non-Executive Independent Director	Yes	Yes	2	2
Mrs. Kavita Sharma	Non-Executive Director	Yes	Yes	2	2

The Nomination & Remuneration policy is hosted on the Company's website i.e. www.aurolaboratories.com

➤ **STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Stakeholders Relationship Committee of the Company is constituted in accordance with Regulation 20 of The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and 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.aurolabs.com.

The following table shows the nature of complaints received from the shareholders during the years 2019-2020.

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	--	--
SEBI	--	--
Total	--	--

There were no complaints pending as on March 31, 2020.

The Committee met Four (4) times during the year on May 23, 2019, August 7, 2019, October 22, 2019 and February 4, 2020. 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	SRC Meetings Dates (2019-2020)				No. Meetings Entitled to Attend	No. of Meetings Attended
		May 23, 2019	Aug 7, 2019	Oct 22, 2019	Feb 4, 2020		
Mr. Kailash Chandra Bubna	Chairperson Non-Executive Independent Director	Yes	Yes	Yes	Yes	4	4
Mr. Govardhan Das Agarwal	Non-Executive Independent Director	Yes	Yes	Yes	Yes	4	4
Mr. Siddhartha Deorah	Executive Director	Yes	Yes	Yes	Yes	4	4

➤ CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The provisions of Section 135 of the Companies Act, 2013 read with rules made thereunder for Corporate Social Responsibility have become applicable to the Company for the Financial Year 2019-2020 and accordingly, the Company has constituted the Corporate Social Responsibility Committee.

The Committee met once (1) during the year on August 7, 2019. The necessary quorum was present at the meeting.

The composition of the Corporate Social Responsibility and the details of meetings attended by its members are given below:

Name of the Members	Category	CSR Meetings Dates (2019-2020)	No. Meetings Entitled to Attend	No. of Meetings Attended
		Aug 7, 2019		
Mr. Kailash Chandra Bubna	Chairperson Non-Executive Independent Director	Yes	1	1

Name of the Members	Category	CSR Meetings Dates (2019-2020)	No. Meetings Entitled to Attend	No. of Meetings Attended
		Aug 7, 2019		
Mr. Govardhan Das Agarwal	Non-Executive Independent Director	Yes	1	1
Mr. Siddhartha Deorah	Executive Director	Yes	1	1

The Committee recommends to the Board activities, programs, projects to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013. The activities, programmes etc. undertaken by the Company and the amount spent by the Company are given in the **Annexure 'A'** to the Directors Report.

The Corporate Social Responsibility Policy can be accessed from the Company's website www.aurolabs.com.

➤ **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-

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

Independent Directors met 1 (one) time during the year on February 4, 2020 and the meeting was attended by all Independent Directors.

ANNUAL PERFORMANCE 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 February 4, 2020.

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.

RELATED PARTY TRANSACTIONS:

Your Company has formulated a policy on related party transactions which is also available on Company's website www.aurolabs.com. This policy deals with the review and approval of related party transactions. The Board of Directors of the Company has approved the criteria for making the omnibus approval by the Audit Committee within the overall framework of the policy on related party transactions. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. All related party transactions are placed before the Audit Committee for review and approval.

All related party transactions entered during the Financial Year were in ordinary course of the business and on an arm's length basis. No material related party transactions were entered during the Financial Year by your Company. Accordingly, no disclosure is made in respect of related party transactions, as required under Section 134(3)(h) of the Act in Form AOC-2. Members may refer to Note No. 22 of the financial statements which sets out related party disclosures pursuant to IND-AS-24.

AUDITORS:

➤ **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 2019-2020 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.

➤ **Internal Auditor**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the Board on recommendation of the Audit Committee has appointed M/s. Pokharna and Associates, as internal auditors of the Company for the financial year 2020-21

➤ **Secretarial Auditor**

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

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

➤ **Cost auditor:**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, Cost Audit is not applicable to the Company for the financial year 2019-2020 & 2020-2021. However, the Company has to maintain Cost Records from the financial year 2020-2021.

CODE OF CONDUCT:

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

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

PARTICULARS OF EMPLOYEES:

The disclosures relating to remuneration and other details as required under Section 197 (12) of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. Having regard to the provisions of the second proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection by the members at the registered office of the Company during working hours on working days up to the date of the Annual General Meeting and if any member is interested in obtaining as copy thereof, such member may write to the Company Secretary/ Compliance Officer.

Further, Pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 was not applicable to the Company during the Financial Year 2019-2020.

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.

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.

There are no risks which threaten the existence of the Company.

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

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 2019-2020, no complaint was received under the policy.

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 as under:

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

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

Particulars	March 31, 2020	March 31, 2019
I. ELECTRICITY		
a. Purchase Unit (in Lakhs)	15.02	16.64
i. Total Amount (Rs. In Lakhs)	148.69	152.40
ii. Rate / Unit (Rs.)	9.89	9.16
b. Own generation (through diesel Generator)	NIL	NIL

II. LIGHT DIESEL OIL LDO/ FURNACE OIL / BRIQUETTE (For Production) Quantity (Ltr./kg. In Lakhs)	March 31, 2020	March 31, 2019
a. LDO Ltr.	0.19	0.06
b. FURNACE OIL Ltr.	0.37	1.53
c. BRIQUETTES Kg.	17.88	15.48
Total Amount (Rs. In Lakhs)		
a. LDO	14.16	4.23
b. FURNACE OIL	12.03	53.14
c. BRIQUETTES	125.18	113.91
Average rate per Ltr. /Kg. (Rs.)		
a. LDO Ltr.	74.47	70.50
b. FURNACE OIL Ltr.	32.51	34.74
c. BRIQUETTES Kg.	7.01	7.36
III. CONSUMPTION PER KG. OF PRODUCTION		
a. Products (Kg.)	1520000	1762000
b. Electricity (Rs.)	9.78	8.65
c. Diesel / FO / Briquette (Rs.)	9.96	9.72

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

B. 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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

Particulars	March 31, 2020	March 31, 2019
Foreign Exchange outgo		
-CIF Value of Import:	1158.76	1557.63
-Foreign travelling expenses:	40.53	41.71
Foreign Exchange earned		
-FOB/CIF / CNF Value of export:	2853.85	3532.65

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.

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.

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, 2020.

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, 2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

The Management's Discussion and Analysis Report for the Year under review, as stipulated under The SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, is annexed to this report as '**Annexure 'C'**'

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.

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

There were no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements related i.e. March 31, 2020.

LISTING:

The Company's Shares are listed on BSE Limited, Mumbai. The Company has paid Listing Fees for the year 2019-20.

ISO CERTIFICATION:

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

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.

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.

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

Date: August 31, 2020
Place: Mumbai

SHARAT DEORAH
(DIN: 00230784)
CHAIRMAN & MANAGING DIRECTOR

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)**ACTIVITIES**

A brief outline of the Company's CSR policy, including overview of projects or programme proposed to be undertaken and to the CSR policy and projects or programme.

CSR Policy

(Approved by the Board of Directors on August 7, 2019)

Our aim is to be one of the most respected companies in India delivering superior and everlasting value to all our customers, associates, shareholders, employees and Society at large.

The CSR initiatives focus on holistic development of host communities and create social, environmental and economic value to the society.

To pursue these objectives we will continue to:

- Improving the quality of life in rural area.
- Eradicating hunger, poverty and malnutrition,
- Promoting healthcare including preventive healthcare
- Promotion of education including investment in technology in schools
- Ensuring environment sustainability including measures for reducing inequalities faced by socially and economically backward groups
- Promoting sports including rural and Olympic sports
- Contribution to funds for promoting technology
- Investing in various rural development projects
- Measures for the benefit of armed forces veterans, war widows and their dependents
- Contribution to the Prime Minister's National Relief Fund or any other fund setup by the Central Government for development and relief.
- Collaborate with likeminded bodies like Voluntary organizations, charitable trusts, governments and academic institutes in pursuit of our goals.
- Interact regularly with stakeholders, review and publicly report our CSR initiatives
- Disaster management, including relief, rehabilitation and reconstruction activities and
- Any other activities as mentioned in schedule VII of the Companies Act, 2013 as amended from time to time.

1. Composition of CSR committee:

Name of the Member	Designation
Mr. Kailash Chandra Bubna	Chairperson
Mr. Govardhan Das Agarwal	Member
Mr. Siddhartha Deorah	Member

2. Average net profit of the company for last three financial years: Rs. 45,731,292/-

3. Prescribed CSR Expenditure: Rs. 9,14,626 /-

4. Details of CSR spend for the financial year 2019-20

a) Total amount spent for the financial year: Rs. 5,20,000/-

- b) Amount unspent if any: Rs. 3,94,626/-
 c) Manner in which the amount spent during the financial year is detailed below:

Sr. No	Projects/ Activities	Sector	Location	Amount Outlay (Budget) Project or Programs wise	Amount Spent on the project or programs	Amount spent: Direct or through implementing Agency
1.	Sri Aurobido Society	Statistical Research	Pondicherry	3,00,000	3,00,00	Implementing Agency
2.	Friends of Tribals Society	School	Guwahati	2,20,000	2,20,000	Implementing Agency
Total				5,20,000	5,20,000	

5. In case the company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board's report:

The Company was required to spend a sum of Rs.9,14,626/- by March 31, 2020 towards activities as per CSR Policy and as stipulated under Schedule VII of the Companies Act, 2013. As the Committee is in the process of identifying new appropriate NGO other than above mentioned sectors, the committee has decided to spend remaining Rs.3,94,626/- (i.e. unspent amount) in upcoming years.

6. We hereby confirm that the implementation and monitoring of CSR Policy is in compliance with CSR Objectives and Policy of the Company.

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

Sharat Deorah
 (DIN: 00230784)
 Chairman & Managing Director

Kailash Chandra Bubna
 (DIN: 01877773)
 Chairperson, CSR committee

Date: August 31, 2020
 Place: Mumbai

**Form No.MR-3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

(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,
Palghar (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, 2020 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, 2020 according to the provisions of:

- i. The Companies Act, 2013 ("the Act") including The Companies (Amendment) Act, 2019, The Companies (Amendment) Ordinance, 2019 and the rules made thereunder;
- ii. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable;
- iii. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- iv. The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;
- v. 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; [Not applicable during the period of audit]
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [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 (Delisting of Equity Shares) Regulations, 2009; [Not applicable during the period of audit]

- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; [Not applicable during the period of audit]
- vi. Other laws applicable specifically to the Company namely:
 - a) Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules, 1945;
 - b) Indian Boilers Act, 1923;
- vii. We have also examined compliance with the applicable clauses of the following:
 - a) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.
 - b) The Listing Agreements entered into by the Company with BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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.

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

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.
2. 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.
3. Adequate notice is given to all Directors to schedule the Board Meetings, Board Committee 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 decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of Minutes.

We further report that during the audit period, no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

As informed, the Company has responded appropriately to notices/emails received from the statutory/regulatory authorities including by taking corrective measures wherever found necessary.

For GMJ & ASSOCIATES

Company Secretaries

[SONIA CHETTIAR]

PARTNER

ACS: 27582 COP: 10130

UDIN: A027582B000627489

PLACE: MUMBAI

DATE: AUGUST 31, 2020.

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

ANNEXURE I

To,
The Members,
AURO LABORATORIES LIMITED
K-56 MIDC Tarapur Industrial Area,
Palghar (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.
7. Due to the outbreak of COVID -19 pandemic and the current lockdown in the entire country, physical examination of documents under Companies Act, 2013 and SEBI regulations is not possible; we have therefore relied upon the documents provided by the Company in electronic mode for Audit purpose.

For GMJ & ASSOCIATES
Company Secretaries

[SONIA CHETTIAR]
PARTNER
ACS: 27582 COP: 10130
UDIN: A027582B000627489
PLACE: MUMBAI
DATE: AUGUST 31, 2020.

MANAGEMENT DISCUSSION AND ANALYSIS**I. 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.

II. INDUSTRY REVIEW:

- **Global Pharma Industry:** The Global pharma industry is fundamentally very strong but has been shaken due to the effects of the Covid – 19 Virus. The epidemic has put a serious strain on the health care sectors of each country in terms of both physical facilities and finances for them. However, the short term and long term projections remain positive being a core industry that is very essential. It is expected the Global pharma industry will remain relatively stable in terms of both demand and supplies.
- **Indian Pharma Industry:** The Indian Pharma industry has always been an important part of the Global pharma industry and had gained more recognition during the ongoing Covid 19 pandemic, as countries the world over realized the strong manufacturing and supply chain provided by Indian companies. The domestic demand and supplies are also expected to remain stable even though some challenges remain in the manufacturing in terms of workforce and higher costs due to the pandemic.
- **Impact of Covid-19 on the Industry:** The Covid 19 pandemic has made the industry realize the strengths and the weaknesses that exist and the vast opportunities as well. The Indian industry has performed well during the pressures of the pandemic by stepping up and ensuring there is no shortage of the products in any therapeutic category even though there were serious challenges in manufacturing and transportations of goods and services. It is expected the industry should grow at a healthy rate in the future as the opportunities are explored.

III. OPPORTUNITIES, THREATS, OUTLOOK, RISKS AND CONCERNS:

- **Opportunities:**

The company has a good opportunity as Diabetes is categorized 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. In addition the company is looking to develop new products that are expected to come off patent in the future.

- **Threats & Concerns:**

There is significant competition from other Generic manufacturers both within India and foreign, however the markets and volumes are quite large giving opportunities for all. Manufacturing environment should be stable and any kind of Governmental regulations should not make it difficult as this is an area of concern.

- **Strengths**

The company has an established customer base in India and in various foreign countries that will enable it to further enhance their growth. The company has registered its product in multiple countries and expect the returns to come in the future.

- **Outlook:**

The outlook is positive for the company considering its product mix and market conditions. The enhanced capacities after expansions will enable the company to grow further at a healthy rate in the future.

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

For and on behalf of the Board of Directors

AURO LABORATORIES LIMITED

Sharat Deorah

(DIN: 00230784)

Chairman & Managing Director

Date : August 31, 2020

Place : Mumbai

INDEPENDENT AUDITOR'S REPORT

To
THE MEMBERS OF AURO LABORATORIES LIMITED

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 2020, 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 (hereinafter 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, 2020, 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.

Sr. 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 new revenue accounting standard. We have selected new 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.
3	Evaluation of tax position	Obtained details of completed income tax assessment and demand till AY 2017-18 which are not significant and estimated provision has been made for the year ended 31st March,2020

4	Indirect tax Recoverability As at 31st March, 2020 short terms loans and advances includes Exports Incentive Rs. 31.67 lakhs, VAT credit Rs. 14.77 lakhs and GST credit Rs.128.15 lakhs. Refer Note no.8 to the financial statement	We have used our knowledge to gain and understanding in current status of recoverability to review the nature of amounts recoverable, the sustainability and the likelihood recoverability upon final resolution.
5	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 Accounts to carry out Internal Audit as per Section 138 of the Companies Act, 2013. The Internal Auditor has submitted their report to the Company
6	Impact of COVID-19 on business	The Company continues to monitor the impact of Covid-19 on its business, including its impact on customers, supply-chain, employees and logistics. For further details, please refer to Note No. 22 (XII)

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 is 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, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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. 120263 W

[CA Sampat Khurdia]

Partner
M.NO. 033615

Place: Mumbai
Date: 29th June, 2020
UDIN: 20033615AAAAAW7263

The **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, 2020.

Responsibilities for audit of IND-AS Financial statement

As part of an audit in accordance with SAs, 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. 120263 W

[CA Sampat Khurdia]

Partner
M.NO. 033615
Place: Mumbai
Date: 29th June, 2020
UDIN: 20033615AAAAAW7263

The **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, 2020.

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. Fixed Assets

- a. The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- b. As explained to us, the fixed assets are being physically verified under a phased programme of verification, which in our opinion, is reasonable and no material discrepancies have been noticed on such verification.
- c. The company has not disposed off substantial part of fixed assets, during the year under review, to affect its going concern.

ii. Inventories

- 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 granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and hence not commented upon.
- iv. 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.
- v. In our opinion and according to the information and explanation given to us, the company has not accepted deposits from public within the meaning of section 73 and 76 of the Act and the rules framed there under to the extent notified.
- vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the order made by the Central Government for maintenance of cost records prescribed under Sub- Section (1) of section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determining whether they are accurate or complete.
- vii. Statutory Dues
- a. According to the information and explanations given to us and on the basis of examination of the records of the Company, we are of the opinion that the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investors Education and protection fund, Employees’ State Insurance, Income Tax, Sales Tax/VAT, Wealth Tax, Custom Duty, Excise Duty, Cess and 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 Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty, Cess and Goods and Services tax (GST).

- viii. 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, Government or dues to debenture holders.
- ix. According to the information and explanation given to us and on overall examination of the balance sheet of the company, there has been no money raised by way of initial public offer or further public offer (including debt instruments) and term loans.
- x. 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.
- xi. 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.
- xii. The company is not a nidhi / chit fund company hence our comment as required under clause 3(xii) of the order not given.
- xiii. 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.
- 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. 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 and hence
- xvi. 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. 120263 W

[CA Sampat Khurdia]

Partner
M.NO. 033615

Place: Mumbai
Date: 29th June, 2020
UDIN: 20033615AAAAAW7263

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, 2020.

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 2020 in conjunction with our audit of the standalone financial statement of the company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

Meaning of Internal Financial controls over financial reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principal. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transaction and dispositions of the assets of the company; (2) provide reasonable assurance that transaction are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisitions, use or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitation of Internal Financial Control over financial reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute Of Chartered Accountants Of India.

For KHURDIA JAIN & Co.

Chartered Accountants
Firm Regn. No. 120263 W

[CA Sampat Khurdia]

Partner
M.NO. 033615

Place: Mumbai
Date: 29th June, 2020
UDIN: 20033615AAAAAW7263

Balance Sheet as at 31st March, 2020

Particulars		Note	31.03.2020	31.03.2019
			Amount in Rs.	Amount in Rs.
A	ASSETS			
1	(I) Non-Current Assets			
	(a) Property, Plant and Equipment	2	142,351,973	145,861,764
	(b) Capital Work -in-Progress		1,160,000	1,160,000
	(c) Investment Property		-	-
	(d) Financial Assets			
	(i) Investments	3	487,982	487,982
	(ii) Loans		-	-
	(iii) Others		-	-
	(e) Other non-current assets - Capital Advance		-	-
2	Current assets			
	(a) Inventories	4	40,625,383	33,738,119
	(b) Financial Assets			
	(i) Investments		-	-
	(ii) Trade Reveivables	5	57,798,369	85,038,073
	(iii) Cash and cash equivalents	6	50,345,916	33,588,473
	(iv) Bank balances other than (iii) above	7	6,495,720	7,488,066
	(v) Loans		-	-
	(vi) Others	8	24,216,675	27,292,386
	(c) Other Current Assets		-	-
	TOTAL ASSETS		323,482,018	334,654,863
B	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share Capital	9	62,325,000	62,325,000
	(b) Other Equity	10	152,650,954	111,795,081
	Liabilities			
	(I) Non-Current Liabilities			
	(a) Financial Liabilities	11	18,097,516	61,492,962
	(i) Other Financial Liabilities	12	13,461,954	19,450,000
	(b) Provisions		-	-
	(c) Deferred Tax Liabilities (Net)		15,591,526	14,966,693
	(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	47,382,960	51,831,796
	(b) Other Current Liabilities	14	6,946,867	7,810,856
	(c) Provisions	15	7,025,241	4,982,474
	(d) Current Tax Liabilities (net)		-	-
	TOTAL EQUITY AND LIABILITIES		323,482,018	334,654,863
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 : 29.06.2020

For and on behalf of the Board of Directors
SHARAT DEORAH
 Managing Director

AMIT SHAH
 Chief Financial Officer

 Place : Mumbai
 Date : 29.06.2020

SIDDHARTHA DEORAH
 Whole Time Director

SHANU NAG
 Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2020

	Particulars	Note	year ended	year ended
			31.03.2020	31.03.2019
			Amount in Rs.	Amount in Rs.
A	CONTINUING OPERATIONS			
1	Revenue from operations	16	437,906,160	468,231,436
2	Other income	17	9,725,637	9,581,595
3	Total revenue (1+2)		447,631,797	477,813,030
4	Expenses			
	(a) Cost of materials consumed	18.a	234,220,470	301,382,287
	(b) Purchases of stock-in-trade	18.b	5,661,280	2,491,385
	(c) Changes in inventories of finished goods, work-in-progress and stock in trade	18.c	4,918,255	-17,659,080
	(d) Employee benefits expense	19	52,753,699	40,707,091
	(e) Finance costs	20	4,663,493	7,222,364
	(f) Depreciation and amortisation expense	2	10,232,916	10,091,512
	(g) Other expenses	21	78,763,625	72,888,954
	Total expenses		391,213,738	417,124,512
5	Profit / (Loss) before exceptional items and Tax (3 - 4)		56,418,059	60,688,517
6	Exceptional items		-	-
7	Profit / (Loss) before Tax (5 + 6)		56,418,059	60,688,517
8	Tax expense:			
	(a) Current tax expense for current year		15,248,368	16,168,579
	(b) (Less): MAT credit (where applicable)		-	-
	(c) Current tax expense relating to prior years		-	-
	(d) Net current tax expense		15,248,368	16,168,579
	(e) Deferred tax		624,833	525,334
9	Profit / (Loss) for the period (7 + 8)		40,544,858	43,994,604
10	Other Comprehensive Income			
	a) i) Items that will not be reclassified to profit and loss		1,555,020	1,124,131
	ii) Income Tax relating to Items that will not be reclassified to profit and loss		-432,607	-312,733
11	Total Comprehensive Income for the period (9 + 10)		41,667,271	44,806,002
12	Number of equity shares		6,232,500	6,232,500
13	Earnings per share (of Rs 10/- each):			
	Basic & Diluted (in Rs.) (9/12)		6.51	7.06
	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 : 29.06.2020

For and on behalf of the Board of Directors

SHARAT DEORAH
Chairman & Managing Director

SIDDHARTHA DEORAH
Whole Time Director

AMIT SHAH
Chief Financial Officer

SHANU NAG
Company Secretary

Place : Mumbai
Date : 29.06.2020

Cash Flow Statement for the year ended 31st March, 2020

Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
	Amount	Amount	Amount	Amount
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		56,418,059		60,688,517
Add: Adjustments for:				
Depreciation and amortisation	10,232,916		10,091,512	
Other Non Cash Items	1,122,413		811,398	
Finance costs	4,663,493	16,018,822	7,222,364	18,125,274
		72,436,881		78,813,791
Less: Adjustment for:				
Interest income	700,661		910,319	
Dividend income	5,918		2,755	
		706,578		913,074
Operating profit / (loss) before working capital changes		71,730,303		77,900,716
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	-6,887,264		-18,828,409	
Trade receivables	27,239,704		-1,288,880	
Short-term loans and advances	2,644,848		10,945,068	
Long-term loans and advances	430,863		3,186,527	
Other current assets	-		-	
Other non-current assets	-	23,428,151		-5,985,694
		95,158,453		71,915,021
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	-4,448,836		-1,179,110	
Other current liabilities	-863,989		483,044	
Other long-term liabilities				
Short-term provisions	2,042,767		-2,510,788	
Long-term provisions				
		-3,270,058		-3,206,854
		91,888,395		68,708,168
Cash flow from extraordinary items		-		-
Cash generated from operations		91,888,395		68,708,168
Net income tax (paid) / refunds		-		-
Net cash flow from / (used in) operating activities (A)		91,888,395		68,708,168
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advance	-6,723,125		-16,150,939	
Proceeds from sale of fixed assets			-	
Interest received				

Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
	Amount	Amount	Amount	Amount
- Others	700,661		910,319	
Dividend received				
- Others	5,918		2,755	
		-6,016,547		-15,237,865
Net income tax (paid) / refunds		-16,059,766		-16,631,638
Net cash flow from / (used in) investing activities (B)		-22,076,313		-31,869,503
C. Cash flow from financing activities				
Proceeds from long-term borrowings	-		-	
Repayment of long-term borrowings	-8,075,775		-8,083,385	
Net increase / (decrease) in working capital borrowings	-		-	
Proceeds from other short-term borrowings	-35,319,671		7,791,997	
Repayment of other short-term borrowings	-5,988,046		-10,750,000	
Finance cost	-4,663,493		-7,222,364	
		-54,046,985		-18,263,752
Cash flow from extraordinary items		-		-
Net cash flow from / (used in) financing activities (C)		-54,046,985		-18,263,752
Net increase/(decrease) in Cash & cash equivalents (A+B+C)		15,765,097		18,574,913
Cash and cash equivalents at the beginning of the year		41,076,539		22,501,626
Cash and cash equivalents at the end of the year		56,841,636		41,076,539

In terms of our report attached.

For KHURDIA JAIN & CO

Chartered Accountants
FIRM REG.NO. 120263W

**SAMPAT KHURDIA
PARTNER**

M. NO. 33615

Place : Mumbai

Date : 29.06.2020

For and on behalf of the Board of Directors

SHARAT DEORAH
Chairman & Managing Director

SIDDHARTHA DEORAH
Whole Time Director

AMIT SHAH
Chief Financial Officer

SHANU NAG
Company Secretary

Place : Mumbai

Date : 29.06.2020

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 2019	6,232,500	62,325,000
Changes in equity share capital during the year	-	-
Balance at 31st March 2020	6,232,500	62,325,000

Other Equity - Attributable to owners

Particulars	Reserve & Surplus			
	Capital Reserve State subsidy	Retained Earnings	Comprehensive Income	Total
Balance at 1st April 2019	1,500,000	104,308,683	811,398	111,795,081
Last year Comprehensive trf. to retained earning		-	-811,398	-811,398
Other Comprehensive income for the year			1,122,413	1,122,413
Profit for the year			40,544,858	
Balance at 31st March 2020	1,500,000	144,853,541	1,122,413	152,650,954

In terms of our report attached.

For KHURDIA JAIN & CO

 Chartered Accountants
 FIRM REG.NO. 120263W

SAMPAT KHURDIA
PARTNER

M. NO. 33615

Place : Mumbai

Date : 29.06.2020

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

SIDDHARTHA DEORAH
 Whole Time Director

AMIT SHAH
 Chief Financial Officer

SHANU NAG
 Company Secretary

Place : Mumbai

Date : 29.06.2020

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, 2020 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 have 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

Unsecured considered good	2020	2019
Over six months	20,98,388	24,71,868
Less than six months	5,56,99,981	8,25,66,205
Total	5,77,98,369	8,50,38,073

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 31st March 2020	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 01.04.2019	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
Additions		3,62,877			20,24,258	7,72,590		42,000	1,80,282	33,41,118	67,23,125	-
Disposals												
Closing gross carrying amount	4,39,701	3,55,93,617	70,19,447	3,37,634	15,56,06,093	1,38,15,574	82,55,928	21,72,086	13,46,947	1,50,28,075	23,96,15,103	11,60,000
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	-
Depreciation charge during the year	4,397	11,19,065	1,11,141	-	68,07,104	7,02,325	7,21,696	1,25,213	79,167	5,62,808	1,02,32,916	-
Disposals												
Closing accumulated depreciation	1,28,669	1,16,59,200	20,00,541	3,37,634	6,00,38,793	1,03,03,751	18,93,930	21,27,160	8,08,517	79,64,938	9,72,63,133	-
Net carrying amount 31.03.2020	3,11,032	2,39,34,417	50,18,906	-	9,55,67,300	35,11,823	63,61,998	44,926	5,38,430	70,63,137	14,23,51,973	11,60,000
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	14,58,61,762	11,60,000

Note 3 : Investments		
Particulars	As at 31.03.2020	As at 31.03.2019
	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	484,982	484,982
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)	484,982	484,982
(b) Unquoted		
35 (5) Shares of Worli Ind. Properties Limited of face value of Rs. 100/- each (of the above 5 shares were issued on purchase of assets and included in the value of asset.)	3,000	3,000
Total (B)	3,000	3,000
Total (A+B)	487,982	487,982
Aggregate amount of quoted investments	484,982	484,982
Aggregate market value of listed and quoted investments	90,852	324,191
Aggregate amount of unquoted investments	3,000	3,000

Note 4 : Inventories		
(At lower of cost and net realisable value)		
Particulars	As at 31.03.2020	As at 31.03.2019
	Amount in Rs.	Amount in Rs.
(a) Raw materials	25,451,756	14,129,670
(b) Work-in-progress	1,550,500	497,500
(c) Finished goods (other than those acquired for trading)	12,671,900	16,360,875
(d) Stores and spares	951,227	467,794
(e) Trading stock	-	2,282,280
Total	40,625,383	33,738,119

Note 5 : Trade receivables		
Unsecured considered good		
Over six months	2,098,388	2,471,868
Others	55,699,981	82,566,205
Total	57,798,369	85,038,073

Note 6 : Cash and cash equivalents	As at 31.03.2020	As at 31.03.2019
(a) Cash on hand	541,432	19,705
(b) Balances with Scheduled banks		
(i) In current accounts	23,874,970	33,568,768
(ii) In Cash Credit Accounts	25,929,514	-
Total	50,345,916	33,588,473

Note 7 : Bank balances other than (iii) above		
(i) In deposit accounts		
- Balances held as margin money or security against borrowings, guarantees and other commitments	6,495,720	7,488,066
Total	6,495,720	7,488,066

Note 8 : Other Financial Assets		
Short-term loans and advances		
(a) Prepaid expenses - Unsecured, considered good	1,940,820	124,189
(b) Balances with government authorities		
Unsecured, considered good		
(i) Export incentive receivable	3,166,731	5,153,858
(ii) VAT credit receivable	1,476,767	2,568,586
(iii) GST Receivable	12,815,116	16,651,372
(iv) Income Tax Receivable (C Y Net)	699,183	-
(c) Inter-corporate deposits		
Unsecured, considered good	-	-
Doubtful	-	-
(d) Others (specify nature)		
Unsecured, considered good	1,827,012	72,472
Doubtful	-	-
Long-term loans and advances		
(a) Security deposits		
With Government Bodies	1,247,909	1,104,875
With others	1,043,138	713,138
(b) MAT Credit Entitlements	-	903,896
Total	24,216,675	27,292,386

Note 9 Share capital				
Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised				
Equity shares of Rs 10 each	7,000,000	70,000,000	7,000,000	70,000,000
(b) Issued, Subscribed and fully paid up				
Equity shares of Rs 10 each	6,232,500	62,325,000	6,232,500	62,325,000
Total	6,232,500	62,325,000	6,232,500	62,325,000

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	6,232,500	62,325,000	6,232,500	62,325,000
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	6,232,500	62,325,000	6,232,500	62,325,000

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

	Number	%	Number	%
Siddhartha Deorah	431,192	6.92%	431,192	6.92%
Auro Impex Private Limited	1,168,781	18.75%	1,168,781	18.75%
Sharat Deorah	1,165,800	18.71%	1,165,800	18.71%

Note 10 Other Equity				
Capital Reserve Account				
State Cash Subsidy		1,500,000		1,500,000
Share Premium Account		5,175,000		5,175,000
TOTAL		6,675,000		6,675,000
Profit & Loss Account				
As per Last Balance Sheet		105,120,081		60,777,138
Net Profit/(Loss) for the year		40,544,858		43,994,604
Amount available for appropriation		145,664,939		104,771,742
Opening Comprehensive Income Reversed (Net of Tax)		-811,398		-463,059
Comprehensive Income (Net of Tax)		1,122,413		811,398
Closing Balance		145,975,954		105,120,081
Total		152,650,954		111,795,081

Note 11 : Financial Liabilities		
Particulars	As at 31.03.2020	As at 31.03.2019
	Amount	Amount
Secured Loans		
(a) Term loan from Bank		
From banks	18,097,516	26,173,291
(Exclusive charge by way of hypothecation of office and factory building and personal grantee of MD & WTD)		
(b) Loans repayable on demand		
From banks		
Secured	-	35,319,671
(Previous Year Exclusively hypothecation charge on the entire Stocks, Book Debts and Other current assets and personal grantee of MD & WTD)		
Total	18,097,516	61,492,962
Note 12 : Other Financial Liabilities		
Loans from related parties		
Unsecured - From Corporates	13,461,954	19,450,000
Total	13,461,954	19,450,000
Note 13 : Trade Payables		
Due to other than Micro and small Enterprises	47,382,960	51,831,796
Total	47,382,960	51,831,796
Note 14 : Other Current Liabilities		
(i) Payables on purchase of fixed assets	4,342	1,542,887
(ii) Others Expenses Payable	6,942,525	6,267,969
Total	6,946,867	7,810,856
Note 15 : Provisions		
(i) Statutory remittances payable	908,049	520,005
(ii) Provision for Taxation (Previous Year Net)	-	1,638,080
(iii) Provision for Expenses	6,117,192	2,824,389
Total	7,025,241	4,982,474

Note 16 Revenue from operations			
	Particulars	For the year ended	For the year ended
		31st March, 2020	31st March, 2019
		Amount in Rs.	Amount in Rs.
(a)	Sale of products @ (Refer Note (i) below)	429,024,761	455,640,673
(b)	Other operating revenues (Refer Note (ii) below)	8,881,399	12,590,763
	Total	437,906,160	468,231,436
Note (i)	Sale of products comprises		
	Sale of manufactured goods	418,371,991	455,463,677
	Sale of traded goods	10,652,771	176,997
	Total - Sale of products	429,024,761	455,640,673
Note(ii)	Other operating revenues # comprise:		
	Duty drawback and MEIS incentives	8,881,399	12,590,763
	Total - Other operating revenues	8,881,399	12,590,763

Note 17 Other income			
(a)	Interest income (Refer Note (i) below)	700,661	910,319
(b)	Dividend income:		
	from long-term investments		
	others	5,918	2,755
(c)	Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	469,188	310
(d)	Net Foreign Exchange Gain	8,549,870	8,668,210
	Total	9,725,637	9,581,595
Note (i)	Interest income comprises:		
	Interest from banks on:		
	- on banks Deposits	424,360	480,607
	- on others	276,301	429,712
	Total - Interest income	700,661	910,319
Note(ii)	Other non-operating income comprises:		
	Misc. Receipts	1,719	302
	Sundry Balance W/off	-	8
	Prior Period Income (GST L Y)	379,187	-
	Insurance Claim recd.	88,282	
	Total - Other non-operating income	469,188	310

Note 18.a : Cost of materials consumed		
Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
	Amount in Rs	Amount in Rs
Opening stock	14,597,464	13,428,135
Add: Purchases	246,025,989	302,551,616
Less: Closing stock	26,402,983	14,597,464
Cost of material consumed	234,220,470	301,382,287
Total	234,220,470	301,382,287

Note 18.b : Purchase of traded goods		
Traded good	5,661,280	2,491,385
Total	5,661,280	2,491,385

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	12,671,900	16,360,875
Work-in-progress	1,550,500	497,500
Stock-in-trade	-	2,282,280
	14,222,400	19,140,655
<u>Inventories at the beginning of the year:</u>		
Finished goods	16,360,875	981,575
Work-in-progress	497,500	500,000
Stock-in-trade	2,282,280	-
	19,140,655	1,481,575
Net (increase) / decrease	4,918,255	-17,659,080

Note 19 : Employee benefits expense		
Salaries and wages	33,364,712	27,894,437
Contributions to provident and other funds	444,997	494,518
Staff welfare expenses	913,990	280,636
Director Remunetation	18,000,000	12,000,000
Directors Sitting Fees	30,000	37,500
Total	52,753,699	40,707,091

Note 20 : Finance costs		
(a) Interest expense to:		
(i) Banks	3,012,812	4,928,767
(ii) Others	1,650,681	2,293,597
Total	4,663,493	7,222,364

Note 21 : Other expenses		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	Amount in Rs.	Amount in Rs.
Consumption of stores and spare parts	1,813,928	1,393,249
Power and fuel	16,284,396	15,836,235
Water	651,258	572,056
Repairs and maintenance - Buildings	2,170,816	883,678
Repairs and maintenance - Machinery	3,356,588	1,806,874
Repairs and maintenance - Others	604,068	676,479
Insurance	933,886	379,995
Rates and taxes	2,605,749	2,132,595
Communication	274,756	297,941
Travelling and conveyance	7,260,800	6,022,871
Printing and stationery	2,251,858	1,016,276
Freight and forwarding	7,934,529	8,453,604
Commission & Brokerage	242,846	30,420
Laboratory Chemicals	218,166	395,326
Factory and Office Expenses	9,073,020	8,006,584
Bank Charges	1,115,916	1,513,517
Profession Tax (Company)	2,500	2,500
Profession Tax (Directors)	10,000	10,000
Export Expenses	6,625,718	9,039,022
Donations and contributions	4,249,540	4,015,000
Legal and professional	2,902,500	2,703,500
Payments to auditors (Refer Note (i) below)	150,000	150,000
Miscellaneous expenses	8,030,789	7,551,232
Total	78,763,625	72,888,954
Notes:		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	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	2020	2019
	A. Contingent liabilities and commitments*	2,88,75,876	3,13,34,037
	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 2017-18.		
III.	EARNINGS PER SHARE (EPS)		
	Earnings		
	Net Profit for the year (net of taxes)	4,05,44,858	4,39,94,604
	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	6.51	7.06
	- Diluted	6.51	7.06
IV.	RELATED PARTY DISCLOSURES		
	A. 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	16,50,681	20,52,665
	2. Loan received from Aurolmpex Pvt. Limited	Nil	Nil
	3. Loan repaid to Aurolmpex Pvt. limited	63,00,000	20,50,000

	4. The Company has the following outstanding dues at year end: Aurolmpex Pvt. limited	1,31,50,000	1,94,50,000
	C. Remuneration		
	1. Remuneration paid to Director	1,80,00,000	1,20,00,000
V.	RAW MATERIAL PURCHASED DURING THE YEAR	2020	2019
	Packing Material	1,19,27,779	1,64,60,526
	Raw Material	23,40,98,210	28,60,91,090
	Total	24,60,25,989	30,25,51,616
VI.	DETAILS OF IMPORTED AND INDIGENOUS RAW MATERIALS, SPARES AND PACKING MATERIAL CONSUMED:		
	Raw Materials		
	Imported	11,58,76,251	15,57,62,907
	Indigenous	13,01,49,738	14,67,88,709
VII.	CIF VALUE OF IMPORTS		
	1. Raw Material	11,58,76,251	15,57,62,907
VIII.	EARNINGS IN FOREIGN CURRENCY		
	1. Exports on CIF Basis	28,53,85,219	35,32,65,075
IX.	EXPENDITURE IN FOREIGN CURRENCY		
	1. Travelling	40,53,489	41,71,070
	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	5,60,44,307	5,28,94,424
	b. Mat Credit Carried Forward	Nil	9,03,896
	Total B	5,60,44,307	5,37,98,320
	Deferred Tax Liabilities/ Assets [A-B]	5,60,44,307	5,37,98,320
	Tax on Deferred Tax Liabilities/Assets	1,55,91,526	1,49,66,693

XII. Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The Company continues to monitor the impact of Covid-19 on its business, including its impact on customers, supply-chain, employees and logistics. Due care has been exercised, in concluding on significant accounting judgments and estimates, including in relation to recoverability of receivables, assessment of impairment of goodwill and intangibles,

investments and inventory, based on the information available to date, while preparing the Company's financial results as of and for the year ended March 31, 2020.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, goodwill and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.

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

For KHURDIA JAIN & CO

Chartered Accountants
FIRM REG.NO. 120263W

SAMPAT KHURDIA
PARTNER

M. NO. 33615

Place : Mumbai

Date : 29.06.2020

For and on behalf of the Board of Directors

SHARAT DEORAH
Chairman & Managing Director

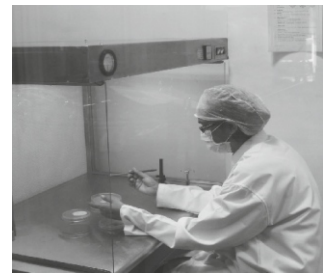
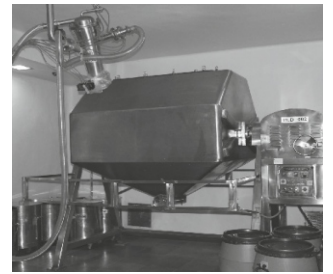
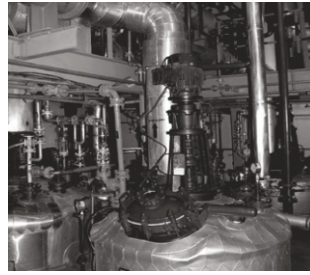
SIDDHARTHA DEORAH
Whole Time Director

AMIT SHAH
Chief Financial Officer

SHANU NAG
Company Secretary

Place : Mumbai

Date : 29.06.2020



Active Pharmaceutical Ingredients

Sustainable Quality

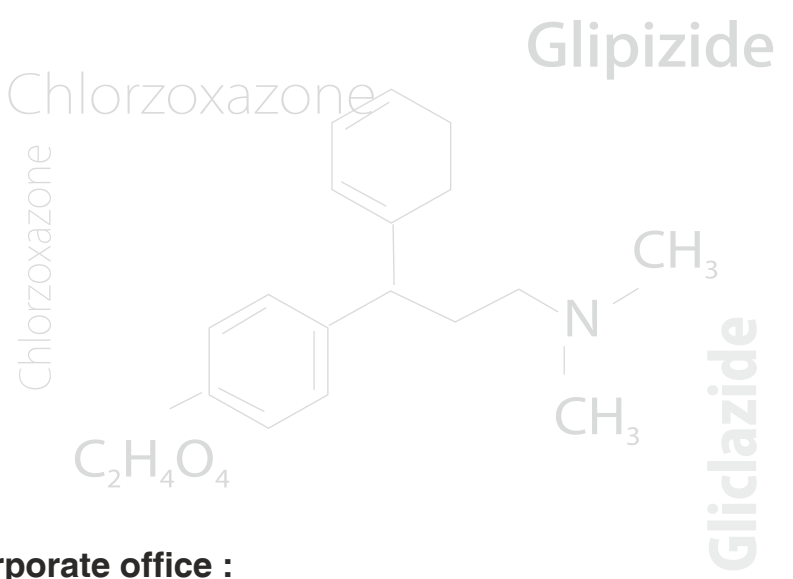
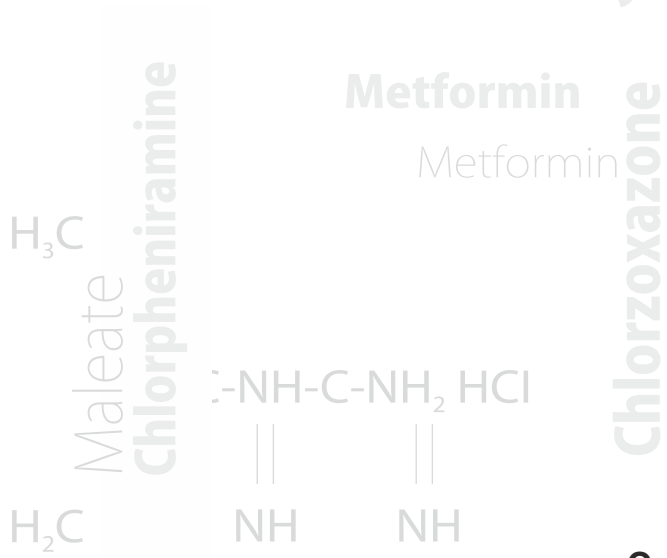
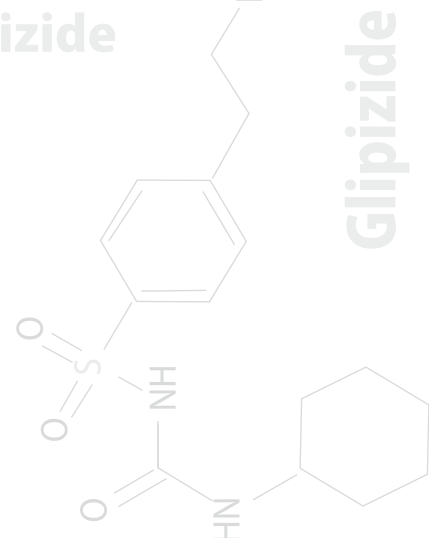
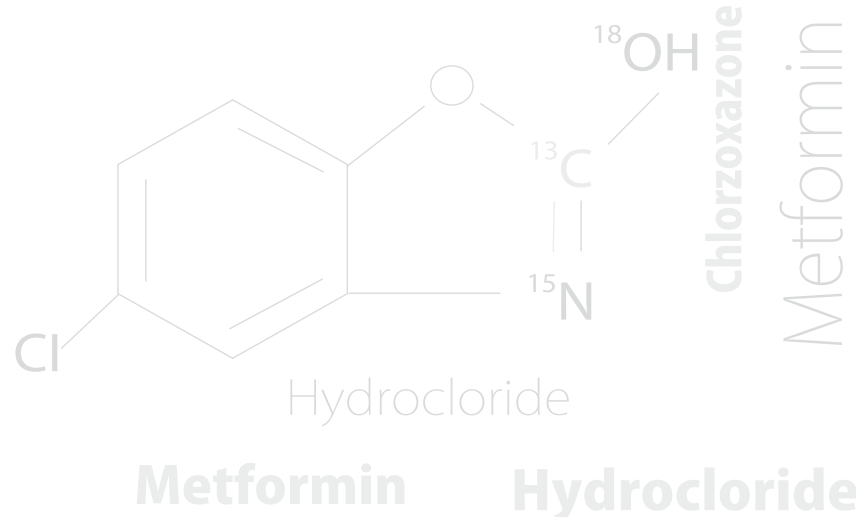
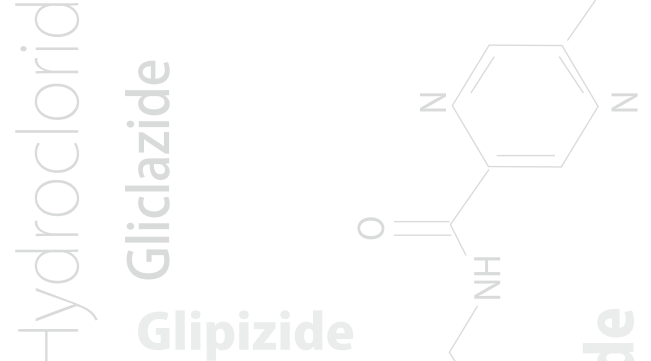
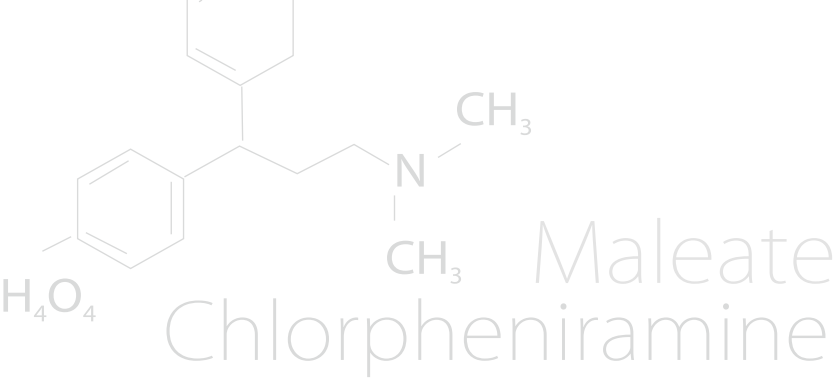
EUGMP

EDQM Inspected

WHO GMP

Global Customers





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 CIN No. L33125MH1989PLC051910

