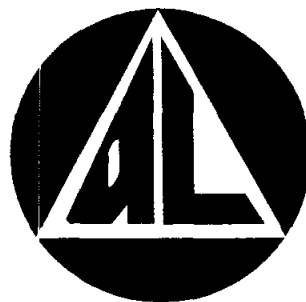


**ANNUAL REPORT 1998-99**

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**AURO LABORATORIES LIMITED**

## ANNUAL REPORT 98-99

### AURO LABORATORIES LIMITED

#### BOARD OF DIRECTORS

Sahadeolal Deorah	<i>Chairman</i>
Sharat Deorah	<i>Managing Director</i>
Satish Deorah	<i>Director</i>
Padam Kumar Khaitan	<i>Director</i>
Chandrakant I. Gandhi	<i>Director</i>
Jagdish Prasad Saria	<i>Director</i>
Siddhartha Deorah	<i>Director</i>
Valerian M. D'souza	<i>Director</i>

#### REGISTERED OFFICE & FACTORY

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

#### ADMINISTRATIVE OFFICE :

408, Navratan, 69, P. D'mello Road,  
Mumbai-400 009.

#### AUDITORS

**M/s. Sarda & Pareek**  
*Chartered Accountants*

#### BANKERS

Allahabad Bank- Mumbai

#### REGISTRAR & SHARE TRANSFER AGENT

#### R & D CONSULTANTS LIMITED

610, Dalamal Tower,  
211, Nariman Point,  
Mumbai-400 021.

## AURO LABORATORIES LIMITED

### NOTICE

NOTICE is hereby given that the Tenth Annual General Meeting of the members of AURO LABORATORIES LIMITED will be held at the Registered Office of the Company at K-56, M.I.D.C. INDUSTRIAL AREA, TARAPUR, BOISAR, DIST. THANE - 401 506 on Tuesday, the 28th day of September, 1999 at 11.30 A. M. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Satish Deorah, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sahadeo Lal Deorah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Sarda & Pareek, Chartered Accountants, as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :  
"RESOLVED THAT Mr. Valerian M. D'souza, who was appointed as an Additional Director of the Company on 25th November 1998 and who pursuant to the provisions of Section 260 of the Companies Act, 1956, vacates his office at ensuing Annual General Meeting of the Company and in respect of whom the Company had received a notice under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is, hereby appointed as a Director of the Company."
6. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :  
"RESOLVED THAT Mr. Siddhartha Deorah, who was appointed as an Additional Director of the Company on 1st August 1999 and who pursuant to the provision of Section 260 of the Companies Act, 1956, vacates his office at ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

Place : MUMBAI  
Dated : 16th August 1999

For and on behalf of the Board

**SHARAT DEORAH**  
Managing Director

### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IN THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The instrument appointing proxy should however be deposited at the registered office of the Company not less than fortyeight hours before the commencement of the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 24.09.1999 to Tuesday, 28.09.1999 (both days inclusive.)
4. Members are requested to intimate any change in their address registered with the Company to the Company's Registrar and Share Transfer Agent.
5. Any query relating to accounts shall be notified to the Company at least 7 days before the day of the Annual General Meeting.

### Registered Office:

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

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

#### Item No. 5 :

Mr. Siddhartha Deorah was appointed as an Additional Director of the Company w.e.f. 1st August 1999. Pursuant to the provision of Section 260 of the Companies Act, 1956, he vacates his office at this Annual General Meeting of the Company. The Company has received notice with required deposit from a Member as per Section 257 of the said Act proposing his candidature for the office of Director.

The aforesaid resolution for appointment of Mr. Siddhartha Deorah is recommended to Members for their approval.

Except Mr. Siddhartha Deorah, Mr. Sharat Deorah and Mr. Sahadeo Lal Deorah, no other Director shall be deemed to be concerned or interested in the aforesaid resolution.

#### Item No. 6 :

Mr. Valerian M. D'souza was appointed as an Additional Director of the Company w.e.f. 25th November 1998. Pursuant to the provisions of Section 260 of the Companies Act, 1956, he vacate his office at this Annual General Meeting of the Company. The Company has received notice with required deposit from Member as per Section 257 of the said Act proposing his candidature for the office of Director.

The aforesaid resolution for appointment of Mr. Valerian M. D'souza is recommended to members for their approval.

Except Mr. Valerian M. D'souza, no other Director shall be deemed to be concerned or interested in the aforesaid resolution.

Place : MUMBAI  
Dated : 16th August 1999

By Order of the Board

**SHARAT DEORAH**  
Managing Director

**ANNUAL REPORT 98-99****DIRECTORS' REPORT TO THE MEMBERS**

The Directors present their Tenth Report on the Business operations of the company along with the Audited Statement of Account for the year ended 31st March 1999.

**FINANCIAL RESULTS :**

	( Rs. in Lacs )	
	Year ended 31.03.99	Year ended 31.03.98
Sales & Other Income	472.09	628.23
Profit /(loss) before Interest, Depreciation & Tax	(28.65)	(33.00)
Less: Interest	(7.51)	(11.75)
Profit/ (Loss) before Depreciation & Tax	(36.16)	(44.75)
Less: Depreciation	(13.47)	13.24
Profit / (Loss) before Tax	(49.63)	(57.99)
Less: Provision for Tax	—	—
Profit /(Loss) after Tax	(49.63)	(57.99)
Profit brought from earlier year	31.78	26.21
Loss carried to Balance Sheet	(81.41)	(31.78)

**OPERATIONS :**

The Sales and other income for the financial year under review amounted to Rs.472.09 Lacs, registering a decline of 24.85% over the previous year. The company incurred a net loss of Rs.49.63 Lacs as compared to the Net Loss of Rs.57.99 Lacs for the previous year. The loss was mainly due to adverse market conditions and increased cost of production.

**DIVIDEND :**

In view of the loss, the Board of Directors regret their inability to recommend any dividend for the year ended 31st March 1999.

**MEASURES FOR Y2K COMPLIANCE :**

The Company has already indentified the Operational processes which are open to the threats arising out of y2k syndrome and necessary measures for providing adequate safeguards against the same, are being taken by the Company.

**DIRECTORS :**

Mr. Sahadeolal Deorah and Mr. Satish Deorah, Directors of the Company, retire by rotation at the forthcoming Annual General Meeting and being eligible offers themselves for re-appointment.

Mr. Siddhartha Deorah and Mr. Valerian M. D'souza, who were appointed as Additional Directors of the Company with effect from 1st August 1999 and 25th November 1998 respectively pursuant to Section 260 of the Companies Act, 1956, and Articles of Association of the Company, would vacate their respective offices on the date of the ensuing Annual General Meeting of the Company. The Company has received necessary Notices under Section 257 of the said act from a shareholder proposing the candidatures of Mr. Siddhartha Deorah and Mr. Valerian M. D'souza for the offices of the Directors of the Company. Accordingly, resolutions have been proposed in the Notice of the ensuing Annual General Meeting for the appointments of Mr. Siddhartha Deorah and Mr. Valerian M. D'souza as Directors of the Company.

**AUDITORS :**

The Auditors M/s. Sarda & Pareek, Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

**FIXED DEPOSITS :**

The Company has not accepted any deposits from the public.

**AURO LABORATORIES LIMITED****PERSONNEL :**

As required under Section 217 (2A) of the Companies Act 1956 and the provisions made thereunder, none of the employees was in receipt of remuneration aggregating Rs. 600000/- or more per annum if employed throughout the year or Rs. 50000/- or more per month in case employed for part of the year.

**DISCLOSURE OF PARTICULARS :**

Additional information as required in terms of the provisions of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 regarding conservation of energy, Technology Absorption and foreign exchange earnings and outgo is given hereunder :

**CONSERVATION OF ENERGY :**

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

	Year Ended 31.03.99	Year Ended 31.03.98
<b>1. ELECTRICITY</b>		
(a) Purchase		
Unit (in Lacs)	2.07	3.88
Total Amount (Rs. in Lacs)	9.71	15.16
Rate/Unit (Rs.)	4.67	3.91
(b) Own generation (through diesel generator)	Nil	Nil
<b>2. LIGHT DIESEL OIL (FOR PRODUCTION)</b>		
Quantity (Ltr. in Lacs)	0.67	1.33
Total Amount (Rs. in Lacs)	5.78	11.36
Average rate per Ltr. (Rs.)	8.34	8.56
<b>3. CONSUMPTION PER KG. OF PRODUCTION :</b>		
Products (Kg.)	45944.00	53881.00
Electricity (Rs.)	21.15	28.10
Diesel (Rs.)	12.58	21.08

**TECHNOLOGY ABSORPTION****Research & Development (R&D)**

- |   |   |      |
|---|---|------|
| 1. Specific areas in which R&D carried out by the Company | : | None |
| 2. Benefit derived as a result of the above R&D           | : | Nil  |
| 3. Future plan of action                                  | : | None |
| 4. Expenditure on R&D                                     | : | Nil  |

**Technology absorption, adaptation and innovation :**

- |  |   |      |
|--|---|------|
| 1. Efforts, in brief made towards technology absorption, adaptation and innovation | : | None |
| 2. Benefits derived as a result of the above efforts                               | : | Nil  |

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3. Technology imported during the last five years	:	
a) Technology imported	:	Nil
b) Year of Import	:	N.A.
c) Has technology been fully absorbed	:	N.A.
d) If not fully absorbed, areas where it has not taken place, reasons thereof, and future plans of action	:	N.A.

**FOREIGN EXCHANGE EARNINGS AND OUTGO :**

(Rs. in Lacs)

Foreign exchange earnings	213.24
Foreign exchange outgo	
Raw Materials	84.21
Travelling	5.74

**AUDITORS REPORT :**

Observations made in the Auditors Report are self explanatory and therefore, do not call for any further comments under Section 217 (3) of the Companies Act, 1956.

**INSURANCE :**

All insurable interests of the Company including inventories, building, plant and machinery and others are adequately insured.

**ACKNOWLEDGEMENT :**

The Company takes this opportunity to place on record its appreciation for the support extended by the Company's bankers. The Company also expresses its gratitude to the Maharashtra State Financial Corporation and the State Industrial and Investment Corporation of Maharashtra Limited. We are also grateful to all the shareholders for reposing their confidence in the Company.

For &amp; on behalf of the Board

Place : MUMBAI  
Dated : 16th August 1999

**SHARAT DEORAH**  
Managing Director

**SATISH DEORAH**  
Director

**Registered Office :**

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