

ANNUAL REPORT 1999 - 2000



ReportJunction.com

Certified True Copy

For Auro Laboratories Ltd.

A handwritten signature in black ink, appearing to be 'S. D. J.', is written over the text 'For Auro Laboratories Ltd.'.

Mg. Director

AURO LABORATORIES LIMITED

AURO LABORATORIES LIMITED

AURO LABORATORIES LIMITED

BOARD OF DIRECTORS

Sahadeolal Deorah	<i>Chairman</i>
Sharat Deorah	<i>Managing 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.

ANNUAL REPORT 1999-2000

NOTICE

NOTICE is hereby given that the Eleventh 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 Thursday, the 28th day of September, 2000 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 2000 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 Shri. Chandrakant. I. Gandhi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri. Jagdish Prasad Saria, 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 pursuant to the provisions of section 269 and other applicable provisions if any, of the Companies Act, 1956 read with Schedule XIII to the said Act the Company hereby approves the re-appointment of Shri. Sharat Deorah as the Managing Director of the Company for a period of 5 years from the 1st October 1999 to 30th September 2004 and that the said Managing Director shall act under the supervision and directions of the Board of Directors, although, the said Managing Director be and is vested with the control of the Company and is hereby further authorised to exercise all the powers of management of the Company and its business save and except such powers as are required by or in law for the time being in force, to be exercised by the Company in general meeting or by the Board of Directors."

"RESOLVED FURTHER THAT in accordance with the provisions of Sections 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act, the Company hereby approves payment of remuneration to Shri. Sharat Deorah, Managing Director, with effect from 1st August 2000, consisting of salary at the rate of Rs. 20,000/-per month and commission, perquisites, allowances and other benefits as may be determined by the Board of Directors of the Company from time to time with liberty to the Board of Directors to vary and modify the terms and conditions of the remuneration, however but not exceeding the limits specified under the provisions of Schedule XIII to the Companies Act, 1956."

"RESOLVED FURTHER THAT in case of inadequacy of profits or loss in any financial year, the remuneration payable to the said Managing Director shall be governed by the limits prescribed under Section II of Part II of the Schedule XIII to the said Act, including any statutory modifications thereof."
6. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of section 198, 269, 309, 311 and other applicable provisions if any, of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956, approval of the Company be and is hereby granted to the appointment of Shri. Siddhartha Deorah as a Wholtime Director of the Company for a period of 5 years from 1st August 2000 to 31st July 2005 at a remuneration of Rs. 10,000/-per month and commission, perquisites, allowances and other benefits as may be determined by the Board of Directors of the Company from time to time but not exceeding the limits specified under the provisions of Section II Part II of Schedule XIII to the Companies Act, 1956."

"RESOLVED FURTHER THAT in case of inadequacy of profits or loss in any financial year, the remuneration payable to the said Wholtime Director shall be governed by the limits prescribed under Section II of Part II of the Schedule XIII to the said Act, including any statutory modifications thereof."

For and on behalf of the Board

Place : MUMBAI
Dated : 16th August 2000

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 Monday, 25th September 2000 to Thursday, 28th September 2000 (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.

AURO LABORATORIES LIMITED**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.****Item No. 5 :**

Shri. Sharat Deorah is one of the Promoter - Directors of the Company and possesses deep Knowledge and experience in the manufacturing and trading of bulk drugs. The Board of Directors of the Company at their meeting held on 28th September 1999, re-appointed Shri. Sharat Deorah as the Managing Director of the Company for a further Period of 5 years with effect from 1st October 1999.

Considering the valuable services provided by Shri Sharat Deorah, Managing Director, the Board of Directors at their Meeting held on 16th August 2000 have approved payment of remuneration to the said Managing Director with effect from 1st August 2000, as per the details specified in the above resolution.

The re-appointment of Shri Sharat Deorah as Managing Director of the Company and payment of remuneration to him, require the consent of the shareholders of the Company pursuant to Section 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act. The said resolution is therefore, recommended for your approval.

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

Item No. 6 :

The Board of Directors of the Company at their meeting held on 16th August 2000, appointed Shri. Siddhartha Deorah as Wholetime Director of the Company for a further Period of 5 years with effect from 1st August 2000 and further approved payment of remuneration to him as per the details specified in the above resolution.

The re-appointment of Shri. Siddhartha Deorah as Wholetime Director of the Company and payment of remuneration to him, require the consent of the shareholders of the Company pursuant to Section 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act. The said resolution is therefore, recommended for your approval.

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



By Order of the Board

Place : MUMBAI
Dated : 16th August 2000

SHARAT DEORAH
Managing Director

ANNUAL REPORT 1999-2000

DIRECTORS' REPORT TO THE MEMBERS

The Directors present their Eleventh Report on the Business operations of the company along with the Audited Statement of Account for the year ended 31st March 2000.

FINANCIAL RESULTS :

	(Rs. in Lacs)	
	Year ended 31.03.2000	Year ended 31.03.1999
Sales & Other Income	807.15	628.23
Profit/(loss) before Interest, Depreciation & Tax	21.34	(28.65)
Less: Interest	(5.10)	(7.51)
Profit/(Loss) before Depreciation & Tax	(16.24)	(36.16)
Less: Depreciation	(13.72)	(13.47)
Profit/(Loss) before Tax	(2.52)	(49.63)
Less: Provision for Tax	(0.30)	—
Profit/(Loss) after Tax	(2.22)	(49.63)
Profit/(Loss) brought from earlier year	(81.41)	(31.78)
Balance carried to Balance Sheet	79.19	(81.41)

OPERATIONS :

The Sales and other income during the year increased to Rs.807.19 Lacs, registering an increase of approx. 71% over the previous year. The operating Profit and Net Profit after Taxation stood at Rs.16.24 Lacs respectively as compared to the Net operating Loss and Net Loss of Rs.36.16 Lacs and Rs. 49.63 Lacs for the previous year. Barring unforeseen circumstances, your Directors are optimistic of reporting better performance for the current year.

DIVIDEND :

In view of the carried forward loss, the Board of Directors regret their inability to recommend any dividend for the year ended 31st March 2000.

DIRECTORS :

Shri. Chandrakant I. Gandhi and Shri. Jagdish Prasad Saria, Directors of the Company, retire by rotation at the forthcoming Annual General Meeting and being eligible offers themselves for re-appointment.

During the year under review, Shri. Satish Deorah resigned from the Board of Directors of the Company. Your Board place on record their deep appreciation for the valuable contribution made by Shri. Satish Deorah as a Director 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.

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. 6,00,000/- or more per annum if employed throughout the year or Rs. 50,000/- 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 Conversation 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 31.03.2000	Year Ended 31.03.1999
1. ELECTRICITY		
(a) Purchase		
Unit (in Lacs)	3.45	2.07
Total Amount (Rs. in Lacs)	15.29	9.71
Rate/Unit (Rs.)	4.43	4.67

AURO LABORATORIES LIMITED

	Year Ended 31.03.2000	Year Ended 31.03.1999
(b) Own generation (through diesel generator)	Nil	Nil
2. LIGHT DIESEL OIL (FOR PRODUCTION)		
Quantity (Ltr. in Lacs)	1.44	0.67
Total Amount (Rs. in Lacs)	13.25	5.78
Average rate per Ltr. (Rs.)	9.14	8.34
3. CONSUMPTION PER KG. OF PRODUCTION :		
Products (Kg.)	92538.80	45944
Electricity (Rs.)	16.53	21.15
Diesel (Rs.)	14.32	12.58

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 |
| 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	217.98
Foreign exchange outgo	
Raw Materials	25.26
Travelling	3.45

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.

Corporate Governance :

The Securities and Exchange Board of India (SEBI) has introduced a comprehensive code on Corporate Governance. The code is required to be implemented on or before 31st March, 2003. Your Company has been following the principles and practices of good corporate governance since its inception. A substantial portion of the code for the corporate governance is being complied with by your Company at present and it will be the endeavour of your Directors to ensure its full compliance by 31st March, 2003.

ACKNOWLEDGEMENT :

The Directors wish to express their gratitude to the bankers, clients and all the business associates for the confidence reposed in the Company's management. The Directors also convey their appreciation to the employees at all levels for their enormous personal efforts as well as collective contribution.

For & on behalf of the Board

Place : MUMBAI
Dated : 16th August 2000

SHARAT DEORAH
Managing Director

SIDDHARTHA DEORAH
Director

Registered Office :

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