

## ANNUAL REPORT 2000 - 2001



*Certified True Copy*

For Auro Laboratories Ltd.

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

# 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>
Siddhartha Deorah	<i>Director</i>
Meena Deorah	<i>Director</i>
Murarilal Sharma	<i>Director</i>
Goverdhandas Aggarwal	<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 2000-2001****NOTICE**

NOTICE is hereby given that the Twelfth 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, Maharashtra- 401506 on Saturday, the 18<sup>th</sup> August 2001 at 11:30 A.M. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2001 and Balance Sheet as on that date along with the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Padam Kumar Khaitan, who retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
**"RESOLVED THAT Smt. Meena Deorah, who was appointed as an Additional Director of the Company with effect from 30<sup>th</sup> January 2001 pursuant to the provisions of Section 260 of the Companies Act, 1956 and subject to the Articles of Association of the Company and whose term expires at the Eleventh Annual General Meeting of the Company and for the appointment of whom the Company has received a notice under Section 257 of the said act from a shareholder proposing the candidature of Smt. Meena Deorah for the office of a Director of the Company, be and is hereby appointed as a Director of the Company whose period of office shall be subject to determination by rotation."**
5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
**"RESOLVED THAT Shri Murarilal Sharma, who was appointed as an Additional Director of the Company with effect from 11<sup>th</sup> June 2001 pursuant to the provisions of Section 260 of the Companies Act, 1956 and subject to the Articles of Association of the Company and whose term expires at the Eleventh Annual General Meeting of the Company and for the appointment of whom the Company has received a notice under Section 257 of the said act from a shareholder proposing the candidature of Shri Murarilal Sharma for the office of a Director of the Company, be and is hereby appointed as a Director of the Company whose period of office shall be subject to determination by rotation."**
6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
**"RESOLVED THAT Shri Goverdhandas Aggarwal, who was appointed as an Additional Director of the Company with effect from 11<sup>th</sup> June 2001 pursuant to the provisions of Section 260 of the Companies Act, 1956 and subject to the Articles of Association of the Company and whose term expires at the Eleventh Annual General Meeting of the Company and for the appointment of whom the Company has received a notice under Section 257 of the said act from a shareholder proposing the candidature of Shri Goverdhandas Agarwal for the office of a Director of the Company, be and is hereby appointed as a Director of the Company whose period of office shall be subject to determination by rotation."**

By order of the Board of Directors

PLACE : MUMBAI  
 Dated : 05<sup>th</sup> July 2001

**SHARAT DEORAH**  
 Managing Director

**NOTES:**

- a. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- b. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 16<sup>th</sup> August 2001 to Saturday, 18<sup>th</sup> August 2001. (both days inclusive)

**REGISTERED OFFICE:**  
 K-56, M.I.D.C. Indl. Area,  
 Tarapur, Boisar,  
 Dist.: Thane - 401 506.

**AURO LABORATORIES LIMITED****EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

Item Nos. 4 to 6:

During the year, Smt. Meena Deorah, Shri Murarilal Sharma and Shri Goverdhandas Agarwal were appointed as Additional Directors of the Company in accordance with the provisions of Section 260 of the Companies Act, 1956 and subject to the Articles of Association of the Company. Pursuant to the provisions of the said section, their respective term shall expire at the Eleventh Annual General Meeting of the Company. In the meantime, the Company has received notices under Section 257 of the said act from shareholders proposing the respective candidature of Smt. Meena Deorah, Shri Murarilal Sharma and Shri Goverdhandas Agarwal for the offices of Directors of the Company. The Board recommends the appointments of Smt. Meena Deorah, Shri Murarilal Sharma and Shri Goverdhandas Agarwal as Directors of the Company.

The resolutions vide Item Nos. 4 to 6 are therefore proposed for the approval of the Members.

Smt. Meena Deorah, Shri Murarilal Sharma and Shri Goverdhandas Agarwal shall be deemed to be concerned in the resolution for their respective appointment. Shri Sharat Deorah, Shri Siddhartha Deorah, Shri Sahadeolal Deorah, shall be deemed to be concerned or interested in the resolution no.4 with respect to appointment of Smt. Meena Deorah.

By order of the Board of Directors

PLACE : MUMBAI  
Dated : 05<sup>th</sup> July 2001

**SHARAT DEORAH**  
Managing Director

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**ANNUAL REPORT 2000-2001****DIRECTORS' REPORT**

The Members,

Your Directors have pleasure in presenting the Twelfth Annual Report on the operations of the Company together with the audited accounts for the year ended 31<sup>st</sup> March, 2001.

**FINANCIAL RESULTS:**

	Year Ended 31.03.2001	Year Ended 31.03.2000
Sales & Other Income	433.91	807.15
Profit/(Loss) before depreciation and tax	(2.65)	21.34
Less.: Depreciation	14.16	13.72
Profit/(Loss) before Tax	(16.81)	(2.52)
Less: Provision for tax	—	0.30
Add: Excess Provision written back	0.30	—
Profit/(Loss) after tax	(16.51)	(2.22)
Profit/(Loss) brought from earlier years	(79.19)	(81.41)
Profit/(Loss) carried to Balance-Sheet	(95.70)	(79.19)

**PERFORMANCE:**

Turnover of the Company reduced from to Rs. 433.91 lacs as against Rs.807.15 lacs in the earlier year. General recession in the economy coupled with intense competition has been the major cause of lower sales realization. Due to reduction in sales volume, your Company reported Loss before Depreciation at Rs.2.65 lacs in comparison with Profit of Rs.21.34 lacs in the previous year. After providing Depreciation of Rs.14.16 lacs, net loss for the year amounted to Rs.16.51 lacs. In view of the carried forward losses, your Directors regret their inability to recommend any dividend for the current year.

**RESPONSIBILITY STATEMENT:**

Pursuant to Section 217(2AA) of the Companies Act, 1956 your Directors confirm the following :

In the preparation of the annual accounts, the applicable standards have been followed.

Your Directors have selected such accounting policies and applied them consistently (except as stated above) 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 of the Company for that period.

Your Directors have 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.

Your Directors have prepared the attached Statement of Accounts for the year ended March 31, 2001 on a going concern basis.

**DEMATERIALISATION OF SECURITIES:**

Considering the benefits of scripless trading, your Company has decided to have electronic depository facilities for the shares of the Company. The Depository system of holding securities of in an electronic form is far safer and more convenient method of holding and trading in the securities of the Company. Accordingly, the Company has entered into tripartite agreement with both the Depositories viz. National Securities Depositories Limited and Central Depository Services (India) Limited. The Shares of the Company are available in dematerialised segment under ISIN No. INE292C01011.

**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 31<sup>st</sup> 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 31<sup>st</sup> March, 2003.

**AURO LABORATORIES LIMITED****FIXED DEPOSITS:**

During the financial year under consideration, your Company had neither accepted nor renewed any deposit from public within the meaning of Section 58 - A of the Companies Act, 1956.

**DIRECTORS:**

During the period under review, Mr. Murarilal Sharma, Mr. Goverdhandas Agarwal and Mrs. Meena Deorah were appointed as Additional Directors of the Company in accordance with the provisions of Section 260 of the Companies Act, 1956 and subject to the Articles of Association of the Company. The said directors shall vacate their respective office on the date of the ensuing Annual General Meeting of the Company. The Company has received Notices under Section 257 of the said act from shareholders proposing the respective candidature of the said Additional Directors for the offices of Directors of the Company. Accordingly, resolutions have been proposed in the Notice of the forthcoming Annual General Meeting of the Company for the appointments of Mr. Murarilal Sharma, Mr. Goverdhandas Agarwal and Mrs. Meena Deorah, Directors of the Company.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Padam Kumar Khaitan, Director of the Company, shall retire by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment.

During the year under review, Mr. Chandrakant Gandhi, Mr. Jagdish Saria and Mr. Valerian D'souza resigned from the Board of the Company. Your Directors place on record their deep appreciation for the valuable contribution made by the outgoing Directors during their association with the Company.

**AUDITORS:**

The Auditors M/s. Sarda & Pareek, Chartered Accountants, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and being eligible for re-appointment. The retiring Auditors have furnished a certificate of their eligibility for re-appointment under Section 224(1B) of the Companies Act, 1956 and have indicated their willingness to continue.

**AUDITOR'S COMMENT:**

The observations made by the Auditors in the Auditors Reports are self explanatory as per Notes on Accounts annexed to the Accounts and therefore do not call for any further comments under Section 217 (3) of the Companies Act, 1956.

**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION, ETC. :**

The relevant data pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto and forms part of this report

**PARTICULARS AS PER SECTION 217(2A) OF COMPANIES ACT, 1956 :**

Statement containing particulars of employees as required under Section 217(2A) of the Companies Act, 1956, is not given as none of the employees of the Company is covered under the provisions of the said section.

**ACKNOWLEDGEMENTS:**

Your Board takes this opportunity to thank its clients, vendors, shareholders and bankers for their support to the Company. The Board wishes to place on record its sincere appreciation to the contributions made by all associates at all levels of employment.

By order of the Board of Directors

Place : Mumbai  
Dated : 05<sup>th</sup> July 2001

**SHARAT DEORAH**  
Managing Director