

ANNUAL REPORT 2001 - 2002



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AURO LABORATORIES LIMITED

ANNUAL REPORT, 2001-2002**AURO LABORATORIES LIMITED****BOARD OF DIRECTORS**

Sharat Deorah	<i>Managing Director</i>
Siddhartha Deorah	<i>Director</i>
Meena Deorah	<i>Director</i>
Murarilal Sharma	<i>Director</i>
Goverdhandas Aggarwal	<i>Director</i>

AUDIT COMMITTEE

Murarilal Sharma	<i>Chairman</i>
Sharat Deorah	<i>Member</i>
Meena Deorah	<i>Member</i>

REGISTERED OFFICE & FACTORY

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

ADMINISTRATIVE OFFICE :

314, 3rd Floor, TV Industrial Estate,
S.K. Ahire Marg, Worli, Mumbai-400 025.

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 TO THE MEMBERS**

NOTICE is hereby given that the Thirteenth Annual General Meeting of the members of AURO LABORATORIES LIMITED will be held on FRIDAY, the September 27, 2002 at 10.30 a.m. at the registered office of the Company at K-56, M.I.D.C. Industrial Area, Tarapur, Boisar, Dist. Thane, Maharashtra - 401 506 to transact with or without modifications, the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2002 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Siddhartha Deorah, who retires from office by rotation, and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Murallal Sharma, who retires from office by rotation, and being eligible offers himself for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS:

To consider and if thought fit, to pass, with or without modifications, the following Resolutions:

5. AS A SPECIAL RESOLUTION:

RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any of the Companies Act, 1956, the Articles of Association of the be and is hereby amended, altered and/or substituted in the manner and to the extent set out herein below :

A. Following be inserted in Article 2 at appropriate place

DIVIDEND : Dividend includes interim Dividend.

B. The following new clause 3(a) be added after Article 3 :

3(a). The Share Capital of the Company shall be of two kinds only, namely:

I) Equity Share Capital :

(1) With Voting Rights ; or

(2) With differential rights as to dividend, voting or otherwise as may be prescribed under the provisions of the section 86 or any other provision of the Companies Act, 1956 or such other rules, regulations governing the matter from time to time.

(II) Preferential Share Capital.**C. The following new clause 110A be added after Article 110 :****110A. POSTAL BALLOT :**

"The Company may and in the case of resolutions relating to such business as the Central Government may, by notification, declare to be conducted only by postal ballot, shall, get any resolution passed by means of a postal ballot, instead of transacting the business in general meeting of the Company. Where the Company is required to, or decides to, as the case may be, get a

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resolution passed by means of a postal ballot, the provisions of Section 192A of the Act shall be complied with. Any matter / issue pertaining to or arising out of the postal ballot shall be decided by the chairman of the meeting or in his absence of the Board."

D. The following new clause (l) and (m) be added after clause (k) in Article 141 :

(l) "he is already a director of a public company which,

- (1) has not filed the annual accounts and annual returns for any continuous three financial years commencing on and after the first day of April, 1999 ; or
- (2) has failed to repay its deposit or interest thereon on due date or redeem its debenture on due date or pay dividend and such failure continues for one year or more :

Provided that he shall not be eligible to be appointed as a director for a period of five years from the date on which such other public Company , in which he is a director, failed to file annual accounts and annual returns or has failed to repay its deposits or interest or redeem its debentures on due date or pay dividend.

The above disqualification of a director shall be governed by the provisions of Sections 274 (1) (g) of the Companies Act, 1956 or such other rules, regulations governing the matter from time to time ."

(m) he becomes disqualified in terms of any of the provisions of the Companies Act , 1956, amended from time to time.

E. the following new Clauses be inserted as Articles 17A and 17B after Article 17 in the Articles of Association of the Company :

17A : NOMINATION FACILITY :

1. Every Shareholder or debenture holder of the Company, may at any time, nominate a person to whom his shares or debentures shall vest in the event of his death in such manner as may be prescribed under the Act.
2. Where the Shares or Debentures of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the shares or debentures, as the case may be shall vest in the event of death of all the joint holders in such manner as may be prescribed under the Act.
3. Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purpose to confer on any person the right to vest the shares or debentures, the nominee shall, on the death of shareholder or debenture holder or, as the case may be on the death of the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be prescribed under the Act.
4. Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures to make the nomination to appoint any person to become entitled to shares in, or debentures of the Company in the manner prescribed under the Act, in the event of his death, during the minority.

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17B: TRANSMISSION OF SECURITIES :

1. A nominee, upon production of such evidence as hereinafter, may elect, either.
 - a) To register himself as holder of the share or debenture as the case may be, either.
 - b) To make such transfer of the share or debenture, as the deceased shareholder or debenture holder, as the case may be, could have made.
2. If the nominee elects to be registered as holder of the share or debenture, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder, as the case may be.
3. A nominee shall be entitled to the dividend on shares/interest on debentures and other advantages to which he would be entitled if he was the Registered holder of the share or debenture, provided that he shall not, before registered as a member, be entitled to exercise any right conferred by membership in relation to meeting of the Company.

Provided further that the board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with, within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share or debenture, until the requirements of the notice have been complied with.

17C : DEMATERIALISATION OF SECURITIES :

- 1) For the purpose of this Article :

"SEBI" means the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.

"Depositories Act" means the Depositories Act, 1996, including any statutory modifications or re-enactment thereof for the time being in force.

"Depository" means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.

"Bye-laws" means bye-laws made by a depository under Section 26 of the Depositories Act.

"Beneficial Owner" means a person whose name is recorded as such with a depository.

"Board" means the Board of Directors of the Company.

"Member" means the duly registered holder from time to time of the shares of the Company and includes every person whose name is entered as beneficial owner in the records of the depository.

"Participant" means a person registered as such under section 12(1A) of the Securities and Exchange Board of India Act, 1992.

"Record" includes the records maintained in the form of books or stored in Computer or in such other form as may be determined by regulations made by SEBI in relation to the Depositories Act.

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"Regulations" means the regulations made by SEBI.

Words imparting the singular number only include the plural number and vice versa

Words imparting persons include corporations.

Words and expressions used and not defined in the Act but defined in the Depositories Act, shall have the same meanings respectively assigned to them in that Act.

- 2) The company may enter into a contract with any depository/s for allowing the Shares of the Company to be transacted in Dematerialised Form.
- 3) On the Company entering into such contract, either the company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, as amended from time to time or any statutory modifications thereto or re-enactment thereof.
- 4) Notwithstanding anything contained in these Articles, the company shall be entitled to dematerialise the existing securities, dematerialise its securities held in the depositories and/or offer its fresh securities in a dematerialised form pursuant to the Depositories Act, and the rules framed thereunder, if any.
- 5) Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. If a person opts to hold his security with depository, the company shall intimate such depository the details of allotment of the security and on receipt of the information, the depository shall enter in its record the name of the allottees as the beneficial owner of the security.
- 6) All securities held by Depository shall be dematerialised and be in fungible form. Nothing contained in Section 153, 153A, 153B, 187B, 187C and 372 of the Act, shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owner .
- 7) a) Notwithstanding anything to the contrary contained in the Act, or these Articles, a depository shall be deemed to be registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.
- b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the security held by it.
- c) Every person holding securities of the company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.
- 8) Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the beneficial owner of shares in the records of the depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or equitable, contingent, future or partial interest in any share, or (except only as is by these

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Articles otherwise expressly provided) any right in respect of a share other than absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be entitled at their sole discretion to register any share in the joint names of any two or more persons or the survivors of them.

- 9) Every depository shall furnish to the company information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by the bylaws and the company in that behalf.
- 10) Upon receipt of certificate of securities on surrender by a person who has entered into any agreement with the depository through a participant, the Company shall cancel such certificate and substitute in its records the name of depository as the registered owner in respect of the said securities and shall also inform the depository accordingly.
- 11) If a beneficial owner seeks to opt out of a depository in respect of any security, the beneficial owner shall inform the Depository accordingly.

The depository shall on receipt of information as above make appropriate entries in its record and shall inform the Company.

The Company shall within 30 [thirty] days of the receipt of intimation from the Depository and on fulfillment of such conditions and payment of such fees as may be specified by the regulations, issue, the certificate of securities to the beneficial owner of the transferee as the case may be.
- 12) Notwithstanding anything in the act, or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of floppies or discs.
- 13) Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in depository so far as they apply to shares in physical form subject to the provisions of the Depository act.
- 14) Notwithstanding anything in the Act, or these Articles where securities are dealt with by a depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.
- 15) The shares in the capital shall be numbered progressively according to their several denominations provided, however that the provisions relating to progressive numbering shall not apply to the shares of the company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in the manner herein before mentioned, no share shall be sub-divided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.
- 16) The Company shall cause to keep a Register and Index of members and a Register and Index of debenture holders in accordance with Section 151 and 152 of the Act respectively and the Depositories Act with details of shares and debentures held in material and dematerialised forms in any media as may be permitted by law including in any form of electronic media. The Register and Index of beneficial owners maintained by a depository under section 11 of the Depositories Act, shall be deemed to be Register and Index of members and Register and Index of debentures holders, as the case may be, for the purpose of the Act. The Company

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shall have the power to keep in any state or country outside India a branch register of members resident in that state or country.

- 17) The Company shall keep a register of transfers and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form.

Registered Office :
K-56, M.I.D.C. Indl. Area,
Tarapur, Boisar,
Dist. : Thane - 401 506.

For and on behalf of the Board
For AURO LABORATORIES LTD.

Dated : August 26, 2002.

SHARAT DEORAH
MANAGING DIRECTOR

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NOTES :

1. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Special Business as set out above is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 19/09/2002 to 27/09/2002 (both days inclusive).
4. Members / Proxies are requested to please bring their copies of the Annual Report to the meeting since copies of the Annual Report will not be distributed at the meeting.
5. The Company has listed its shares at Bombay Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 under Security Code No. 530233. The Company is regular in payment of the Listing Fee to the Exchange.
6. Members are requested to notify immediately any change in their address with PIN CODE to the Share Transfer Agent of the Company at the following address :

R & D CONSULTANTS LTD.
[UNIT : AURO LABORATORIES LIMITED]
610, Dalamal Tower, 211, Nariman Point,
Mumbai - 400 021.
7. All documents referred to in the Notice and Explanatory Statement are open for inspection at the registered office of the Company during office hours on all working days except public holidays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
8. Members/Proxies who attend the meeting are requested to complete the attendance slip and deliver the same at the entrance of the meeting hall.
9. Members who are holding shares in dematerialised form are requested to bring their Client ID and DP Id numbers for easy identification at the meeting.
10. Members holding Shares in physical form are requested to notify immediately any change in their address with PIN CODE to the Share Transfer Agent of the Company at the address given above 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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.

ITEM NO. 5:

The Companies (Amendment) Act, 2000 has brought about several changes in the Companies Act, 1956 by inserting inter-alia regarding Equity Share Capital with differential rights, voting by postal ballot, disqualification of directors, transfer of unpaid Dividend, etc.

The consequential changes are proposed to be made in the Articles of Association of the

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Company to ensure conformity with the provisions of the Companies Act, 1956 amended by the The Companies (Amendment) Act, 2000.

Further it is proposed to have enabling powers in the Articles of Association of the Company for Dematerialisation, Transfer & Transmission and Nomination of the Shares of the Company.

None of the Directors of the Company is/are interested in the said resolution.

The Directors recommend the Resolution set out at item no. 7 of the Notice for the approval of the shareholders.

Registered Office :
K-56, M.I.D.C. Indl. Area,
Tarapur, Borsar,
Dist. : Thane - 401 506.

For and on behalf of the Board
For AURO LABORATORIES LTD.

Dated : August 26, 2002.

SHARAT DEORAH
MANAGING DIRECTOR

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