

ANNUAL REPORT 2004 - 2005



AURO LABORATORIES LIMITED

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AURO LABORATORIES LIMITED

BOARD OF DIRECTORS

Sharat Deorah	Managing Director
Siddhartha Deorah	Director
Meena Deorah	Director
Murarilal Sharma	Director
Goverdhandas Aggarwal	Director

AUDIT COMMITTEE

Murarilal Sharma	Chairman
Goverdhandas Aggarwal	Member
Meena Deorah	Member

REGISTERED OFFICE & FACTORY

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

ADMINISTRATIVE OFFICE :

314, 3rd Floor, T. V. Industrial Estate,
S. K. Ahire Marg, Worli, Mumbai-400 030.

AUDITORS

M/s. Kothari Jain & Associates
Chartered Accountants

BANKERS

Allahabad Bank - Mumbai

REGISTRAR & SHARE TRANSFER AGENT

M/s. SHAREX DYNAMIC [INDIA] PRIVATE LIMITED
[Unit : AURO LABORATORIES LIMITED]

Unit No. 1, Luthra Industrial Premises, Near Safed Pool,
Andheri Kurla Road, Andheri [East], Mumbai - 400 072,
Tel: 022 2851 5644/2851 5606.

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NOTICE TO THE MEMBERS

NOTICE is hereby given that the 16th Annual General Meeting of the members of AURO LABORATORIES LIMITED will be held on September 27, 2005 at 11 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 modification(s) the following businesses :

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended March 31, 2005 and the Balance Sheet as on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sharat Deorah, who retires from office by rotation, and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Murarilal Sharma, who retires from office by rotation, and being eligible offers herself 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:

5. To consider, and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution;

"RESOLVED THAT subject to such approvals, consents and sanctions as may be necessary and further subject to such terms, conditions, stipulations and restrictions as may be imposed by the authorities while granting such approvals, consents, and sanctions, the consent of the Members be and it is hereby accorded pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 to the re-appointment of Mr. Sharat Deorah, Managing Director of the Company for a period of Five Years w.e.f. October 1, 2004 on the terms and conditions including the remuneration payable to him as Managing Director and the minimum remuneration payable to him in the event of absence or inadequacy of profits in any year, as set out in the agreement entered into by the Company with Mr. Sharat Deorah.

FURTHER RESOLVED THAT the Board of Directors be and it is hereby authorised to take all such steps and do all such acts and deeds as may be necessary to give effect to the above Resolution."

6. To consider, and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution;

"RESOLVED THAT subject to such approvals, consents and sanctions as may be necessary and further subject to such terms, conditions, stipulations and restrictions as may be imposed by the authorities while granting such approvals, consents, and

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sanctions, the consent of the Members be and it is hereby accorded pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 to the re-appointment of Mr. Siddhartha Deorah, Executive Director of the Company for a period of Five Years w.e.f. August 1, 2005 on the terms and conditions including the remuneration payable to him as Executive Director and the minimum remuneration payable to him in the event of absence or inadequacy of profits in any year, as set out in the agreement entered into by the Company with Mr. Siddhartha Deorah.

FURTHER RESOLVED THAT the Board of Directors be and it is hereby authorised to take all such steps and do all such acts and deeds as may be necessary to give effect to the above Resolution."

Registered Office:

K-56, M.I.D.C. Industrial Area,
Tarapur, Boisar,
Thane - 401 506.
July 30, 2005.

For & on behalf of the Board

For AURO LABORATORIES LIMITED

[SHARAT DEORAH]
MANAGING DIRECTOR

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NOTES:

1. 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.

2. The Register of Members and the Share Transfer Books of the Company will remain closed from 20/09/2005 to 27/09/2005 (both days inclusive).

3. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meeting so that the requested information can be made available at the time of the meeting.

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 a. The Company has appointed M/s. SHAREX DYNAMIC [INDIA] PRIVATE LIMITED as Registrar & Transfer Agent of the Company. Members are therefore requested to send their grievances to them for early disposal at the address given below.

b. Members holding Shares in physical form are requested to notify immediately any change in their address with PIN CODE 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.

M/s. SHAREX DYNAMIC [INDIA] PRIVATE LIMITED

[Unit : AURO LABORATORIES LIMITED]

**Unit No. 1, Luthra Industrial Premises, Near Safed Pool,
Andheri Kurla Road, Andheri [East], Mumbai - 400 072,**

Tel: 022 2851 5644/2851 5606.

6. All documents referred to in the Notice 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.

7. Members/Proxies holding their Shares in Physical mode are requested to fill the enclosed attendance slip and handover the same at the entrance with signature. In the absence thereof, they may not be admitted to the meeting venue.

8. 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.

9. In all correspondence with the Company, members are requested to quote their Folio No. and in case their shares are held in demat form, they must quote their DP ID and client ID Number.

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10. The relevant explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business is enclosed herewith.

Registered Office:

For & on behalf of the Board

K-56, M.I.D.C. Industrial Area,
Tarapur, Boisar,
Thane - 401 506.
July 30, 2005

For AURO LABORATORIES LIMITED

[SHARAT DEORAH]
MANAGING DIRECTOR

EXPLANATORY STATEMENT U/S. 173 OF THE COMPANIES ACT, 1956 :

Item No. 5.

Mr. Sharat Deorah was appointed as Managing Director of the Company by the Board and by the members for a period of 5 years w.e.f. October 1, 1999 and his remuneration was approved by the members.

The Board at its meeting held on October 30, 2004 has re-appointed him as Managing Director w.e.f. October 1, 2004 for a period of 5 [FIVE] years on the following terms. Mr. Sharat Deorah looks after day to day affairs of the Company and is working for the Company since inception.

Salary in the scale of Rs. 10,000/- to Rs. 50,000/- per month as may be decided by the board from time to time. In addition to salary Mr. Sharat Deorah shall be entitled to benefits and perquisites as per the rules of the Company.

The Board is authorized to alter and vary the terms and conditions of the appointment provided however that the remuneration payable shall not exceed the limits specified in Schedule XIII of the Companies Act, 1956 as existing or as amended, modified or re-enacted from time to time.

MINIMUM REMUNERATION :

The remuneration as above including perquisites shall nevertheless be paid as minimum remuneration in the event of absence or inadequacy of profits in any financial year subject to the condition that the remuneration shall not without the approval of the Central Government, if required, exceed the limits specified in Section II or Part II of Schedule XIII of the Companies Act, 1956 computed on the basis of the effective capital of the Company as defined in the explanation under Para 3 of Section II to Schedule XIII of the Companies Act 1956 as in force for the time being or as amended in the future.

The Remuneration Committee has also cleared the above remuneration.

The Board recommends the resolution as above for the approval of members.

This may be treated as an abstract of the terms of the appointment pursuant to section 302 of the Companies Act, 1956.

Mr. Sharat Deorah may be deemed to be interested in the resolution as the same is related to his own appointment. Mr. Siddhartha Deorah and Mrs. Meena Deorah may be deemed to be interested being related to Mr. Sharat Deorah.

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Item No. 6.

Mr. Siddhartha Deorah was appointed as an Executive Director of the Company by the Board and by the members for a period of 5 years w.e.f. August 1, 2000 and his remuneration was approved by the members.

The Board at its meeting held on July 30, 2005 has re-appointed him as Wholetime Director w.e.f. August 1, 2005 for a period of 5 [FIVE] years on the following terms. Mr. Siddhartha Deorah looks after Purchase and Sales aspects of the Company and is working for the Company since August 1, 1999 and got experience of about 7 years to his credit.

Salary in the scale of Rs. 10,000/- to Rs. 50,000/- per month as may be decided by the board from time to time. In addition to salary Mr. Siddhartha Deorah shall be entitled to benefits and perquisites as per the rules of the Company.

The Board is authorized to alter and vary the terms and conditions of the appointment provided however that the remuneration payable shall not exceed the limits specified in Schedule XIII of the Companies Act, 1956 as existing or as amended, modified or re-enacted from time to time.

MINIMUM REMUNERATION:

The remuneration as above including perquisites shall nevertheless be paid as minimum remuneration in the event of absence or inadequacy of profits in any financial year subject to the condition that the remuneration shall not without the approval of the Central Government, if required, exceed the limits specified in Section II or Part II of Schedule XIII of the Companies Act, 1956 computed on the basis of the effective capital of the Company as defined in the explanation under Para 3 of Section II to Schedule XIII of the Companies Act 1956 as in force for the time being or as amended in the future.

The Remuneration Committee has also cleared the above remuneration.

The Board recommends the resolution as above for the approval of members.

This may be treated as an abstract of the terms of the appointment pursuant to section 302 of the Companies Act, 1956.

Mr. Siddhartha Deorah may be deemed to be interested in the resolution as the same is related to his own appointment. Mr. Sharat Deorah and Mrs. Meena Deorah may be deemed to be interested being related to Mr. Siddhartha Deorah.

Registered Office:

K-56, M.I.D.C. Industrial Area,
Tarapur, Boisar,
Thane - 401 506.
July 30, 2005.

For & on behalf of the Board

For AURO LABORATORIES LIMITED

[SHARAT DEORAH]
MANAGING DIRECTOR

AURO LABORATORIES LIMITED

LISTING REQUIREMENTS:

As required under Clause 49 [vi] of the Listing Agreement, given below are the details of the Director(s) who retire by rotation and are eligible for re-appointment (Resolution at Item Nos. 2&3:

A. Name : MR. MURARILAL SHARMA.
Age : 51 [20.05.1954].

Mr. Murarilal Sharma is associated with the Company since June 11, 2001 and is looking after Production and related aspects of the Company. He has an experience of over 15 years to his credit in different fields.

Other Directorships: Name of the Company : NIL
Committee Memberships : NIL

B. Name : MR. SHARAT DEORAH
Age : 55 [26.05.1989].

Mr. Sharat Deorah is associated with the Company since May 26, 1989. He is looking after day to day affairs of the Company and has an experience of over 35 years in the related field.

Other Directorships : Name of the Company - NIL

1. M/s. Auro Impex Private Limited.

Committee Memberships - NIL

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DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have great pleasure in presenting 16th Annual Report together with the Audited accounts for the year ended March 31, 2005.

FINANCIAL RESULTS :

	Year ended 31.03.2005 Rs. In Lacs	Year ended 31.03.2004 Rs. In Lacs
Sales & Other Income	288.79	219.15
Profit before depreciation & taxation	1.17	0.56
Depreciation	17.30	17.34
Net Profit/Loss before tax	(16.13)	(16.78)

OPERATIONS :

Total income of the company was Rs. 288.79 lacs as against Rs. 219.15 lacs in the earlier year. your company reported profit before Depreciation of Rs. 1.17 lacs in comparison with profit of Rs. 0.56 lacs in the previous year.

Your company has completed first phase of the Metformin Hcl capacity expansion. After this the installed capacity of Metformin will be 600 M.T. P.A. This has been in operation from June 2005. The Company has also filled for COS with EDQM authority and expect to get same within next few months. the revenue will increase after we get the same.

DIVIDEND :

Due to carry forward losses, your Board do not propose any Dividend for the year ended March 31, 2005.

RESEARCH & DEVELOPMENT :

The R&D department of the company has been arduously working to provide quality and value for money to the customer in keeping with market trends.

FIXED DEPOSITS :

Your Company has not accepted any deposit within the meaning of section 58A of the Companies Act, 1956 from Public and the rules made thereunder.

BOARD OF DIRECTORS:

As per the Provisions of the Companies Act, 1956 and in terms of the Articles of Association of the Company, Mr. Murarilal Sharma and Mr. Sharat Deora, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.

Mr. Sharat Deorah and Mr. Siddhartha Deorah are proposed to be appointed as Managing Director and Executive Director respectively. Necessary resolutions are proposed and put up for members approvals.

AURO LABORATORIES LIMITED

DIRECTORS RESPONSIBILITY STATEMENT:

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

1. In the preparation of the annual accounts, the applicable accounting standards have been followed.
2. Appropriate policies have been selected and applied consistently and judgments and estimates wherever made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2005.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE:

The Company has taken proactive steps to ensure that the conditions of Corporate Governance stipulated in Clause 49 of the Agreement for Listing with the Stock Exchange are complied with. A separate report on Corporate Governance together with Auditors' Certificate on its compliance are included in this Annual Report.

