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ANNUAL REPORT 2008 - 2009

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AURO LABORATORIES LIMITED

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AURO LABORATORIES LIMITED

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

Murarilal Sharma	Chairman
Goverdhandas Aggarwal	Member
Siddhartha Deorah	Member

REGISTERED OFFICE & FACTORY

K-56 M.I.D.C. Industrial Area, Tarapur
Boisar, Dist. Thane 401506 , Maharashtra

ADMINISTRATIVE OFFICE:

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

AUDTIORS

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 20th Annual General Meeting of the members of AURO LABORATORIES LIMITED will be held on Tuesday, August 18, 2009 at 11am 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, 2009 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. Goverdhandas Aggarwal, who retires from office by rotation, and being eligible offers himself for re-appointment.

3. 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.

Registered Office:

K-56, M.I.D.C. Industrial Area,
Tarapur,
Boisar,
Thane - 401 506.
June 10, 2009.

For and 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 FORTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. The Register of Members and the Share Transfer Books of the Company will remain closed from 13/08/2009 to 18/08/2009 (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. The Company has listed its shares on The Bombay Stock Exchange Limited, Mumbai.

6 a. The Company has appointed M/s. SHAREX DYNAMIC (INDIA) PRIVATE LIMITED as Common Registrar & Transfer Agent of the Company for physicals as well as demat mode of transfers. 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) PVT. LTD.
Unit : [AURO LABORATORIES LIMITED]
Unit No.1, Luthra Ind. Premises, Andheri Krula Road,
Safed Pool, Andheri (East), MUMBAI - 400 072.
Tel: 022 2851 5606 / 2851 5644

7. 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.

8. 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.

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. 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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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):

A.	Name	: MR. GOVERDHANDAS AGGARWAL
	Age	: 60 [02/10/1949].
	Qualifications	: B.Com.

Mr. Goverdhandas Aggarwal is associated with the Company since March 01, 2004 and look after Marketing and administration of the Company. He has an experience of over 30 years in the field of drugs and pharmaceuticals.

Other Directorships:	Nil
Shareholding in the Company:	Nil.
Committee Memberships:	Nil.

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AURO LABORATORIES LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have great pleasure in presenting 20th Annual Report together with the Audited accounts for the year ended March 31, 2009.

FINANCIAL RESULTS:	Year ended 31.03.2009 Rs. In Lacs	Year ended 31.03.2008 Rs. In Lacs
Sales & Other Income	1088.21	611.74
Profit before depreciation & tax	34.37	29.25
Profit after Depreciation	8.44	4.59
Profit / Loss after tax	7.89	4.14

OPERATIONS:

In the current financial year the company has achieved sales of Rs.10.88 crores which is approx. 70 % more than the previous year. The production capacity has increased and the product mix has got good demand with our domestic and overseas customers. The Board of Director has decided to increase the production capacity of Metformin HCL for which new machinery have been ordered. The costs will be met from the loan to be arranged. The new machineries will be installed and use for production in next four months time. The company proposed to achieve a further increase in the sales from the current level. Baring unforeseen circumstances the sales are likely to be 50 % to 70 % more than the current level.

DIVIDEND:

Due to carry forward losses, your Directors do not recommend any dividend for the year ended March 31, 2009.

RESEARCH & DEVELOPMENT:

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

FIXED DEPOSITS:

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

BOARD OF DIRECTORS:

As per the Provisions of the Companies Act, 1956 and in terms of the Articles of Association of the Company Mr. Goverdhandas Aggarwal, Director of the Company retire by rotation and being eligible, offer himself for re-appointment.

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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, 2009.

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.

AUDITORS:
M/s. Kothari Jain & Associates, Chartered Accountants, Auditors of the Company are retiring at the ensuing Annual General Meeting. They are eligible for re-appointment and have expressed their willingness to act as auditors, if re-appointed. The Company has received a certificate from them that they are qualified under section 224 (1) of the Companies Act, 1956, for appointment as Auditors of the Company. Members are requested to consider their appointment at a remuneration to be decided by the Board of Directors for the financial year ending March 31, 2010 as set out in the Notice convening the Meeting.

AUDITORS' OBSERVATIONS:
The observations of the auditors contained in their Report have been adequately dealt with in the Notes to the Accounts given in Schedule "R" which are self explanatory and, therefore, do not call for any further comments.

AUDIT COMMITTEE:
In accordance with the provisions of the Listing Agreement and Companies Act, 1956, the Company has constituted an Audit Committee. The Audit Committee acts in accordance with the terms of reference specified from time to time by the Board.

DEPOSITORY SERVICES:
The Company's Equity Shares have been admitted to the depository mechanism of the National Securities Depository Limited (NSDL) and also the Central Depository Services Limited (CDSL). As a result the investors have an option to hold the shares of the Company in a dematerialized form in either of the two Depositories. The Company has been allotted ISIN No. INE292C01011.

Shareholder's therefore are requested to take full benefit of the same and lodge their holdings with Depository Participants [DPs] with whom they have their Demat Accounts for getting their holdings in electronic form.

CORPORATE GOVERNANCE:
Your Company continued to practice good governance as set out by the Securities And Exchange Board of India. In addition to the basic governance issues, the Board laid a strong emphasis on transparency, accountability and integrity. The detailed report on compliance of Corporate Governance and Management Discussion Analysis as stipulated in Clause 49 of the Listing Agreement is enclosed and form part of this Report.

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CODE OF CONDUCT:
Your Company is committed to conducting its business in accordance with the applicable laws, rules and regulations and highest standards of business ethics. In recognition thereof, the Board of Directors have implemented a Code of Conduct for adherence by the Directors and Senior Management Personnel of the Company. This will help in dealing with ethical issues and also foster a culture of accountability and integrity.

LISTING:
The Company has listed its Equity Shares on Mumbai Stock Exchange Limited, Mumbai.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

The information pursuant to section 217 (I) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure "A" to this report.

PARTICULARS OF EMPLOYEES:
None of the employees of the Company came within the purview of the information required U/s. 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

SAFETY, ENVIRONMENTAL CONTROL AND PROTECTION:
The Company has taken all the necessary steps for safety and environmental control and protection at the plant.

ACKNOWLEDGMENT:
The Directors wish to convey their appreciation to the Company's shareholders, customers, suppliers, bankers and distributors for the support they have given to the Company and the confidence, which they have reposed in its management and the employees for the commitment and dedication shown by them.

Registered Office:

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June 10, 2009.

For and on behalf of the Board

For **AURO LABORATORIES LIMITED**

SHARAT DEORAH
Managing Director

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ANNEXURE TO THE DIRECTORS' REPORT:

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 give here under :

CONSERVATION OF ENERGY:

a] Energy Conservation measures taken :

The Company pays highest attention for conservation of energy. A constant watch for conserving the energy is maintained.

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 31.3.2009	Year Ended 31.3.2008
1. ELECTRICITY		
(a) Purchase Unit (in Lacs)	6.45	4.96
Total Amount (Rs. In Lacs)	34.56	24.40
Rate / Unit (Rs.)	5.35	4.92
(b) Own generation (through diesel generator)	NIL	NIL
2. LIGHT DIESEL OIL LDO/FURNACE OIL		
(FOR PRODUCTION)		
Quantity (Ltr. In Lacs)		
LDO	0.15	0.10
FURNACE OIL	3.03	2.32
Total Amount (Rs. In Lacs)		
LDO	5.62	3.55
FURNACE OIL	70.78	46.76
Average rate per Ltr. (Rs.)		
LDO	36.91	34.13
FURNACE OIL	23.37	20.15
3. CONSUMPTION PER KG. OF PRODUCTION :		
Products (Kg.)	483735	301087
Electricity (Rs.)	7.14	8.10
Diesel / FO(Rs.)	15.79	16.71

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TECHNOLOGY ABSORPTION

Research & Development (R & D)

1. Specific areas in which R & D carried out by the Company :	**None**
2. Benefits 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 :	**None**
3. Technology Imported during the last five years :	
a] Technology imported :	**Nil**
b] Year of Import :	**Nil**
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	371.54
Raw Material	
Foreign Exchange Outgo	
Travelling	6.49

Registered Office:

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June 10, 2009.

For and on behalf of the Board

For **AURO LABORATORIES LIMITED**

SHARAT DEORAH
Managing Director

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