BOOK - POST

If Undelivered Please Return to :

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

Printed By : Tirupati Enterprises - 9820528530

ANNUAL REPORT 2012 - 2013

AURO LABORATORIES LIMITED

AURO LABORATORIES LIMITED

BOARD OF DIRECTORS

Sharat Deorah	Managing Director
Siddhartha Deorah	Director
Kailash Chandra Bubna	Director
Goverdhandas Aggarwal	Director

AUDIT COMMITTEE

Kailash Chandra Bubna	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

AURO LABORATORIES LIMITED

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 24th Annual General Meeting of the Members of AURO LABORATORIES LIMITED will be held on 6th August, 2013, 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 Statement of Profit and Loss for the year ended March 31, 2013 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. Siddhartha Sharat Deorah, who retires from office by rotation, and being eligible offers himself for re-appointment.

3. To appoint M/s. Kothari Jain & Associates, Chartered Accountants having Firm Registration No. 113041W as Statutory 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.
Dated: 30th May, 2013.

For and on behalf of the Board
For **AURO LABORATORIES LIMITED**

SHARAT DEORAH
MANAGING DIRECTOR

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 01/08/2013 to 05/08/2013 (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 BSE 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.

11. Important Communication to Members:- (Green Initiative)

The Ministry of Corporate Affairs (MCA) under "Green Initiative in the Corporate Governance" allowed paperless compliances by the companies. MCA had issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the Form and hand over the same along with Attendance Form at the Registration Counter of venue of Annual General Meeting for registration of Email address for receiving notice/documents including Annual Report.

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):

Name : Mr. Siddhartha Sharat Deorah
Age : 35 [21/09/1978]
Qualifications : MBA

Mr. Siddhartha Deorah is associated with the Company since August 01, 1999, and looks after Purchase and Sales aspects of the Company. He has an experience of over 10 years in the field of drugs and pharmaceuticals.

Other Directorships are as under:

Sr. No	Name of the Company	Current Designation
1	Auro Impex Pvt Ltd	Director
2	Auro Realestates Private Limited	Director
3	Phalguni Enclave Private Limited	Director

Shareholding in the Company: 3,51,939 as on 31st March 2013.
Other Committee Memberships: Nil

Registered Office:
K-56, M.I.D.C. Industrial Area,
Tarapur,
Boisar,
Thane - 401 506.
Dated: 30th May, 2013.

For and on behalf of the Board
For AURO LABORATORIES LIMITED

SHARAT DEORAH
Managing Director

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have great pleasure in presenting 24th Annual Report together with the Audited accounts for the year ended March 31, 2013.

FINANCIAL RESULTS:	Year ended 31.03.2013 Rs. In Lacs	Year ended 31.03.2012 Rs. In Lacs
Total Income	4434.30	2548.88
Profit (Loss) before tax	76.65	26.17
Tax Expense:		
Current tax expense for current year	0.00	0.00
Deferred tax	0.00	0.00
Tax expense for Earlier years	0.00	0.00
Profit (Loss) for the period	76.64	26.17

OPERATIONS:

In the current financial year the Company has performed well and achieved a total income of Rs 4434.30 Lacs as against Rs 2548.88 Lacs in the previous year. The production capacity has increased and the product mix has got good demand with our domestic and overseas customers. With new machineries installed, which will further boost performance of the Company. The Company proposed to achieve a further increase in the sales from the current level.

DIVIDEND:

To make the company financially sound your Directors do not recommend any dividend for the year ended March 31, 2013.

RESEARCH & DEVELOPMENT:

We believe there is no end to innovation. It is not enough to manufacture good products, it is always possible to make it better. And it is always possible to find newer better means to fulfill the needs of our customers. With this in mind, the R&D Department of the Company is manned by a team of dedicated researchers.

The Directors are committed to maintaining a significant level of research and development expenditure in order to expand the Company's range of products.

EMPLOYMENT POLICY:

It is the policy of Auro to create a working environment in which there is no discrimination and all employment decisions are based entirely on merit and the ability of people to perform their intended roles. Auro aims to continue to build a workforce which is recruited from the widest possible talent pool.

HEALTH, SAFETY AND ENVIRONMENT:

The Company, in order to fulfill its commitment towards health, safety and environment, has taken active steps towards establishment of Safety Management Systems (SMS). For developing effectiveness of Safety Management Systems, training of all employees across the Company is ensured through various training programs. The same is being monitored through internal audit teams and delegation of safety management up to the local level. Further, emergency management plans are being reviewed and updated regularly. Regular site visits ensure the enhancement of safety culture which has also ensured the safe commissioning of the new projects.

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:

Pursuant to the provisions of Section 256 of the Companies Act, 1956, Mr. Siddhartha Sharat Deorah, Director of the Company shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

A brief resume of the Director retiring by rotation at the ensuing Annual General Meeting, nature of his expertise in specific functional areas and details regarding the companies in which he holds Directorship, membership/chairmanship of committees of the Board are given in the Corporate Governance Report forming part of this Directors' Report.

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, 2013.

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 the Auditors 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, 2014 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 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:

The Company is committed to fostering a strong culture of good governance. High standards of integrity and ethical behaviour are expected from everyone in the Company. The Company's distinctive corporate culture promotes high standards of corporate governance. Each operating business, overseen by a divisional management structure, is responsible for its own success and is accountable for its actions.

A Report on Corporate Governance as required under Clause 49 of the Listing Agreement is incorporated as a part of this Directors' Report.

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 has 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 BSE 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 is committed to:

Maintain an organizational culture of Health, Safety & Environmental excellence by conducting its business in a manner that will promote consistent development.

Safe work, resource conservation, waste management and emergency response measures for continual improvement in performance.

Design, construct, operate & maintain its facilities while assuring the best material and service quality and operate in a way that mitigates and minimizes risks and hazards.

Prevention of ill-health, injuries and pollution by adopting best practices, carrying out periodic risk assessments, audits, reviews, inspections and providing awareness to employees and concerned stakeholders.

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:
K-56, M.I.D.C. Industrial Area,
Tarapur,
Boisar,
Thane - 401 506.
Dated: 30th May, 2013.

For and on behalf of the Board
For **AURO LABORATORIES LIMITED**

SHARAT DEORAH
Managing Director

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:

During the year, Company continued to focus on minimizing the energy consumption and the measures taken are summarised below:

a. Due consideration has been given to energy consumption while procuring equipments.

1. As a responsible Corporate Citizen and in adherence to our climate change strategy, the Company is continuously taking effective steps to conserve energy and to reduce methane and other Green Houses Gases (GHG) emissions, wherever feasible.

2. Except the emergency lights, all lights and electrical gadgets are turned off after working hours and on holidays at office premises of the Company to help in minimising the energy consumption.

a. The Company pays highest attention on conservation of energy. A constant watch on 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:

	Particulars	31.03.2013	31.03.2012
1.	ELECTRICITY		
a.	Purchase Unit (in Lacs)	16.39	12.41
	i. Total Amount (Rs. In Lacs)	119.87	75.75
	ii Rate / Unit (Rs.)	7.30	6.10
b.	Own generation		
	(through diesel generator)	NIL	NIL
II	**LIGHT DIESEL OIL LDO/FURNACE OIL**		
	(FOR PRODUCTION) Quantity (Ltr. In Lacs)		
	a. LDO	0.09	0.16
	b. FURNACE OIL	6.87	5.04
1.	Total Amount (Rs. In Lacs)		
	a. LDO	4.19	7.00
	b. FURNACE OIL	274.37	194.00

2. Average rate per Ltr. (Rs.)		
a. LDO	46.55	43.75
b. FURNACE OIL	39.94	38.49
I. CONSUMPTION PER KG.		
OF PRODUCTION		
Products (Kg.)	1649883	1131940
Electricity (Rs.)	7.26	6.70
Diesel / FO(Rs.)	16.88	17.76

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:

Foreign exchange earnings

CIF Value of export: Rs. 1718.47 Lacs (Previous Year Rs. 1440.17Lacs).

Foreign exchange outgo

FOB Value of Import Rs. 822.02 Lacs (Previous Year Rs. 688.41 Lacs).
Foreign traveling expenses: Rs.2.60 Lacs (Previous Year Rs. 1.04 Lacs).
Export Expenses: Rs. 11.70 Lacs (Previous Year Rs. Nil).
Commission on Export: Rs. 5.02 Lacs (Previous year Rs. 14.32 Lacs).
Inspection Fees: Rs. 10.13 Lacs (Previous year Rs. Nil).

Registered Office:

K-56, M.I.D.C. Industrial Area,
Tarapur,
Boisar,
Thane - 401 506.
Dated: 30th May, 2013.

For and on behalf of the Board

For **AURO LABORATORIES LIMITED**

SHARAT DEORAH
Managing Director

ANNEXURE - 'B' TO DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency, and fairness in all its transactions in the widest sense and meet its stakeholder's aspirations and social expectations. Good Corporate Governance practices stem from the culture and mindset of the organization and at Auro we are committed to meet the aspirations of all our stakeholders.

AURO LABORATORIES LIMITED ("the Company") is committed to do business in an efficient, responsible, honest and ethical manner. The core values of the Company's Governance process include independence, integrity, accountability, transparency, responsibility and fairness.

The Company is focused towards its Vision of:

- Inspiring, nurturing and empowering the next generation of professionals.
- Achieving continuous improvements through innovation and state of the art technology.
- Committing to highest standards in health, safety, security and environment.

The corporate governance structure specifies the distribution of rights, responsibilities and powers among different participants in the corporation. All strategic decisions regarding investment, diversification, major decisions regarding procurement, commercial and finance are proceeded ahead after approval of the Board.

The Company is committed to enhance shareholders value in the fair and transparent manner and has been in the forefront for bench marking itself with the best business practices globally.

Strong Governance has indeed helped the Company to deliver wealth to its shareholders in the form of uninterrupted dividends.

Roles of various constituents of Corporate Governance in the Company:

a) Board of Directors (Board):

The Directors of the Company are in a fiduciary position, empowered to oversee the management functions with a view to ensure its effectiveness and enhancement of stakeholder value. The Board reviews and approves management's strategic business plan & business objectives and monitors the Company's strategic direction.

b) Managing Director (MD):

The MD is the Chairman of the Board. His primary role is to provide leadership to the Board for realizing the approved strategic business plan and business objectives. He presides over the meetings of the Board and the Shareholders.

a) **Non-Executive Directors (NED):**
The Non-Executive Directors play a vital role in improving the Board effectiveness with their independent judgment on issues of strategy, performance, resources, standards of conduct, etc., besides providing the Board with valuable inputs.

BOARD OF DIRECTORS:

The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the shareholders are being served. The Chairman and Managing Director are assisted by the Executive and Non-Executive Directors.

The Board has constituted three standing Committees, namely Audit Committee, Remuneration Committee and Shareholders'/Investors' Grievance Committee. The Board is authorised to constitute additional functional Committees, from time to time, depending on the business needs.

As on March 31, 2013, the structure of the Board of the Company maintained an optimum mix of Executive, Non Executive and Independent Directors and the same is in conformity with the listing requirements. The Board's current strength is 4 members, who are eminent personalities from various walks of life having rich experience in the field of marketing, finance and administration.

Besides the Chairman, who is an Executive Director, the Board comprises of 1 other Executive Whole-Time Director and 2 Non-Executive, Independent Directors. In case of AURO LABORATORIES LIMITED, One half of the Directors are Non Executive. Two out of the Four Directors are Independent Directors and Non Executive which is very much in Compliance of the Listing Agreement.

The details of composition of the Board, category, attendance of Directors at Board Meetings and last Annual General Meeting, number of other Directorships and other committee memberships are given below:

I. **BOARD MEETINGS:**
The Board of Directors met 6 times during the financial year i.e. on 30/05/2012, 31/05/2012, 08/08/2012, 31/10/2012, 03/12/2012 and 31/01/2013.

The maximum time gap between any two meetings is much less compared to the requirement of not more than four month as specified in clause 49. The dates and timings of the meetings were decided well in advance.

The details of composition of the Board, category, attendance of Directors at Board Meetings during the financial year and last Annual General Meeting, number of other Directorships and other Committee Memberships are given below:

Name of Director	Category	No. of Board Meeting attended	Attendance at last AGM	No. Of Other Directorships Held As on 31/3/13		Outside Committee Position Held As on 31/3/13	
			Public	Private	Mem.	Chmn.	
Mr. Sharat Deorah	CMD	6	YES	--	3	--	--
Mr. Siddhartha Deorah	WTD	6	YES	--	3	--	--
Mr. Goverdhandas Aggarwal	NED	6	YES	1	3	--	--
Mr. Kailash Chandra Bubna	NED	6	YES	--	1	--	--

CMD stands for Managing Director.
WTD stands for Whole time Director.
NED stands for Non Executive Director.

II. **The Information required to be placed before the Board among others, includes:**
- General notices of interest of Directors.
- Appointment, remuneration and resignation of Directors.
- Formation/Reconstitution of Board Committees.
- Terms of reference of Board Committees.
- Minutes of meetings of Audit Committee and other Committees of the Board.
- Declaration of independent Directors at the time of appointment/annually.
- Annual operating plans of businesses, capital budgets and any updates.
- Quarterly results for the Company and its operating divisions or business segments.
- Annual Financial results of the Company, Auditors' Report and the Report of the Board of Directors.
- Quarterly Secretarial Audit reports submitted by the Secretarial Auditors. Dividend declaration.
- Information on recruitment and remuneration of senior officers just below the Board level.
- Appointment of and fixing of remuneration of the Auditors as recommended by the Audit Committee.
- Show cause, demand, prosecution notices and penalty notices which are materially important. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Foreign exchange exposure and the steps taken by the management to limit the risk of adverse exchange rate movement.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/Industrial Relations front.