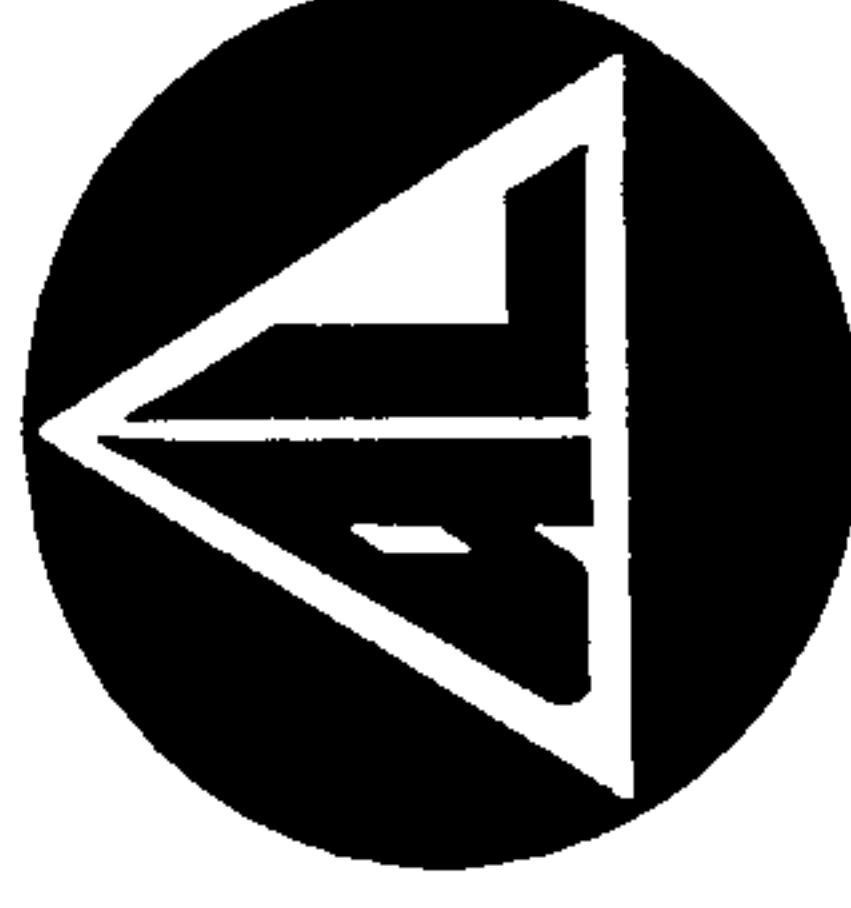


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ANNUAL REPORT 2012 - 2013



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 : Trupati Enterprises - 9820528530

AURO LABORATORIES LIMITED

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

AURO LABORATORIES LIMITED

BOARD OF DIRECTORS

Sharat Deorah
Siddhartha Deorah
Kailash Chandra Bubna
Goverdandas Aggarwal

Managing Director
Director
Director
Director

AUDIT COMMITTEE

Kailash Chandra Bubna
Goverdandas Aggarwal
Siddhartha Deorah

Chairman
Member
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.

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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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 Kurla 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.

AURO LABORATORIES LIMITED

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 [v] 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.

SHARAT DEORAH
Managing Director

For and on behalf of the Board
For AURO LABORATORIES LIMITED

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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.

AURO LABORATORIES LIMITED

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.

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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.

AURO LABORATORIES LIMITED

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 (l) (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.

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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

AURO LABORATORIES LIMITED

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

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2. Average rate per Ltr. (Rs.)		
a. LDO	46.55	43.75
b. FURNACE OIL	39.94	38.49
1. 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:
2. Benefits derived as a result of the above R & D:
3. Future plan of action:
4. Expenditure on R & D:

None
Nil
None
Nil

Technology absorption, adaptation and innovation:

- 1 Efforts in brief made towards technology absorption, adaptation and innovation :
- 2 Benefits derived as a result of the above efforts:
- 3 Technology imported during the last five years:

None
None

- a] Technology imported:
- b] Year of import:
- c] Has technology been fully absorbed:
- d] If not fully absorbed, areas where it has not taken place, reasons thereof, and future plans of action:

Nil
Nil
N.A.
N.A.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign exchange earnings

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

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

AURO LABORATORIES LIMITED

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 benchmarking 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.

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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 months 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:

AURO LABORATORIES LIMITED

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	Mem.		
Mr. Sharat Deorah	CMD	6	YES	3	--	--
Mr. Siddhartha Deorah	WTD	6	YES	3	--	--
Mr. Goverdhandas Aggarwal	NED	6	YES	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.

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III. Board material distributed in advance

The agenda and notes on agenda are circulated to the Directors, in advance, in the defined agenda format. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the agenda

IV. Recording Minutes of proceedings at Board and Committee meetings

Minutes of the proceedings of each Board and Committee meeting are recorded in the minute books as per the requirement of the Law. Draft minutes are circulated to all the members of the Board/ Board Committee for their comments. The minutes are entered in the Minutes Book within 30 days from conclusion of the meeting.

V. As mandated by Clause 49, the independent Directors on the Board of the Company:

Do not have any material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its senior management or its holding Company, its subsidiaries and associates that may affect independence of the Director.

- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- Have not been an executive of the Company in the immediately preceding three financial years.
- Are not partners of the firm or executives of the Company or were not partners of the firm or executives of the Company during the preceding three years of either.
 - Statutory audit firm or the internal audit firm that is associated with the Company.
 - Legal firm(s) and consulting firm(s) that have a material association with the Company.
- Are not material suppliers, services providers or customers or lessors or lessees of the Company, which may affect independence of the Director.
- Are not substantial Shareholders of the Company i.e. do not own two percent or more of the block of voting shares.
- The Board is routinely presented with all information under the above heads whenever applicable and materially significant.

COMMITTEES OF DIRECTORS:

To focus effectively on the issues and ensure expedient resolution of the diverse matters, the Board has constituted a set of Committees of Independent Directors with specific terms of reference / scope. The committee operates as empowered agents of the Board. The inputs and details required for the decision is provided by the operating managers.

AURO LABORATORIES LIMITED

The Minutes of the Meeting of the all Committees of the Board are placed before the Board for discussions/noting.

Details of the committee of the Board and other related information are as follows:

a) AUDIT COMMITTEE:

The Company has a qualified and independent Audit Committee comprising of three Directors. The broad terms of reference of the Audit Committee are in consonance with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. All the members have financial and accounting knowledge.

The Committee acts as a link between the Management, the Statutory Auditors and the Board of Directors of the Company. The Committee focus its attention on monitoring the financial reporting system within the Company, considering Quarterly & Annual Financial Results of the Company and submitting its observations to the Board of Directors before its adoption by the Board, review of the internal audit report & internal control system, audit methodology and process, major accounting policies and practice, compliance with accounting standards. Committee also reviews the legal compliance reporting system.

Representative of the statutory auditors is always invited to attend these meetings.

The Committee met Four times during the year on 30/05/2012, 08/08/2012, 31/10/2012 and 31/01/2013.

Attendance record at the meetings of the Audit Committee of Directors during financial year 2012-2013.

The name of Members of Committee and their attendance are as follows:

Name of the Members	Status	No. of Meetings Attended
Mr. Kailash Chandra Bubna	CHAIRMAN	4
Mr. Goverdhandas Aggarwal	MEMBER	4
Mr. Siddhartha Deorah	MEMBER	4

All the members have financial and accounting knowledge.

The meetings of the Audit Committee are also attended by Head of Accounts Department and representative of statutory auditors.

The Chairman of the Committee was present at the Annual General Meeting held on August 11, 2012 to attend the shareholder's queries.

SHAREHOLDERS' & INVESTORS' GRIEVANCE COMMITTEE:

The Company has constituted a Shareholders' & Investors Grievance Committee at Board level to strengthen the investor relations and to inter-alia look into issues relating to Shareholder Grievances pertaining to transfer of shares, non receipt of declared dividends, non receipt of Annual Report, issues concerning dematerialisation etc.

The Committee met Four times during the year on 30/05/2012, 08/08/2012, 31/10/2012 and 31/01/2013.

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The composition of the Shareholders' Committee and details of the meetings attended by the Directors during the year 2012-13 are given below:

The names of Members of the Committee and their attendance are as follows:

Name of the Members	Status	No. of Meetings Attended
Mr. Kailash Chandra Bubna	CHAIRMAN	4
Mr. Goverdhandas Aggarwal	MEMBER	4
Mr. Siddhartha Deorah	MEMBER	4

Mr. Seshdhar Dubey is the Compliance Officer.

DETAILS OF INVESTORS COMPLAINTS RECEIVED DURING THE YEAR:

Sr. No.	Nature of Complaints	Received	Disposed	Pending
1.	Non receipt of Dividend Warrants.	NIL	NIL	NIL
2.	Non receipt of Share Cert. After Transfer & others.	2	2	NIL
TOTAL		2	2	NIL

REMUNERATION:

The Company has constituted a Remuneration Committee as required under the provisions of the Companies Act, 1956.

All matters relating to review and approval of compensation payable to the Executive and Non-Executive Directors are considered by the Remuneration Committee and necessary recommendations are made by the Committee to the Board for the approval within the overall limits approved by the Members and as per Schedule XIII of the companies Act, 1956.

In view of carry forward losses Managing Director and Executive Director have decided not to draw salary, perquisites and allowances.

The Company does not have any stock option plans and hence such instrument does not fall part of the remuneration package payable to any Executive Director and / or Non Executive Director.

During the period under review, none of the Directors were paid any performance linked incentive.

Shareholding of Non Executive Directors

The shareholding in the Company by the Non Executive Directors in their own name is NIL

AURO LABORATORIES LIMITED

CODE OF CONDUCT

The Company has adopted a Code of Conduct for the Directors and senior management of the Company. The members of the Board and senior management of the Company have submitted their affirmation on compliance with the code for the effective period. The Declaration by the Chairman and Managing Director to that effect forms part of this Report.

MANAGEMENT DISCUSSIONS & ANALYSIS

Management discussion and analysis report is given in a separate section forming part of the Directors' Report in this annual report.

STEPS FOR PREVENTION OF INSIDE TRADING

In compliance of the SEBI (Prevention of Insider Trading) Regulations as amended in 2002, the Company has issued comprehensive guidelines advising and cautioning management staff and other relevant business associates on the procedure to be followed while dealing in equity shares of Auro Laboratories Ltd., and disclosure requirements in this regard. The Company believes that "The Code of Internal Procedure and Conduct" and "The Code of Corporate Disclosures Policies" framed by it in this regard will help in ensuring compliance of the amended SEBI regulations.

DISCLOSURES:

The necessary disclosures regarding the transactions entered into with the related parties are given in the notes to the accounts. There were no transactions of the material value with related parties viz., Promoters, Directors, or the Management or Relatives having any potential conflict with the interest of the Company.

NON-COMPLIANCES:

There were no instances of non compliance on any matter related to the capital market during the last three years. No penalties or strictures were imposed on the Company by any Stock Exchange or SEBI or any other statutory authority on any matter related to capital market during last three years.

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Details of compliance with mandatory requirement and adoption of non mandatory requirement:

The Company has complied with all mandatory requirement of Clause 49 of the Listing Agreement with the Stock Exchange and has implemented the following non mandatory requirements:

1. AUDIT QUALIFICATION:

It is always the companies endeavor to present unqualified financial statements. There are no audit qualifications in the Company's financial statement for the year under review.

2. TRAINING OF BOARD MEMBERS:

Directors are fully briefed about all business related matters risks assessment market conditions of the product manufactured by the Company, competition and new initiative proposed by the Company.

CEO /CFO CERTIFICATION:

As required under Clause 49 of the Listing Agreement a Certificate duly signed by Mr. Sharat Deorah, Managing Director has been obtained. The certificate is annexed to this report.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE:

The Company has obtained a certificate from Auditors of the Company regarding compliance with the provisions relating to the corporate governance laid down in clause 49 of the listing agreement with the Stock Exchanges. This certificate is annexed to the report.

DECLARATION:

I, Sharat Deorah, Managing Director of Auro Laboratories Limited hereby affirm and declare, to the best of my knowledge and belief, and on behalf of the Board of Directors of the Company and senior management personnel, that:

The Board of Directors has laid down a code of conduct for all Board members and senior management of the Company [the code of conduct];

The code of conduct has been complied with;

AURO LABORATORIES LIMITED

GENERAL SHAREHOLDERS INFORMATION:

GENERAL BODY MEETINGS:

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue
31.03.2012	August 11, 2012	11.00 A.M.	Registered Office of the Company
31.03.2011	September 29, 2011	11:00 A.M.	Registered Office of the Company
31.03.2010	September 17, 2010	11.00 A.M.	Registered Office of the Company

All the matters as set out in the respective notices were passed by the Shareholders. No special resolution was required to be put through postal ballot last year.

MEANS OF COMMUNICATION:

1. Quarterly results are sent to the Stock Exchange as required under the Listing Agreement.
2. All items required to be covered in the Management Discussion and Analysis has been included in the Management Discussion and Analysis as attached to this Report.
3. The Company has its own website and all the vital information relating to the Company and its products are displayed on the web site. Address of the website is www.aurolabs.com.

GENERAL SHAREHOLDERS INFORMATIONS:

ANNUAL GENERAL MEETING	: 24 th Annual General Meeting.
DAY & DATE	: 6 th August, 2013.
TIME	: 11 A. M.
VENUE	: Registered Office.

FINANCIAL CALENDAR:

- * Financial reporting for the quarter ended June 30, 2013 : By 15th August, 2013.
- * Financial reporting for the quarter ended Sept. 30, 2013 : By 15th November, 2013.
- * Financial reporting for the quarter ended Dec. 31, 2013 : By 15th February, 2014
- * Financial reporting for the Year ended March 31, 2014 : Audited by 30th May, 2014.
- * Annual General Meeting for the year ended March 31, 2014 : By 30th September, 2014.

DATE OF BOOK CLOSURE: 01/08/2013 TO 05/08/2013 [Both days inclusive].

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SHARE TRANSFER SYSTEM:

Share Transfer Requests are received at the registered office of the Company as well as directly at RTAs office. RTA does the verification and processing of documents. In order to comply with the requirements of SEBI Circular Nos. CIR/MIRSD/8/2012 dated July 5, 2012 to effect transfer of shares within 15 days, the RTA has been authorised to process, approve and effect transfer of shares on behalf of the Company at fortnightly intervals. The share certificates duly endorsed for transfer are returned to shareholders within stipulated time of 15 days.

TRANSFER UNDER PHYSICAL AND DEMAT MODE:

M/S. SHAREX DYNAMIC (INDIA) PVT. LTD.
Unit : [AURO LABORATORIES LIMITED]
Unit No.1, Luthra Ind. Premises, Antheri Krula Road,
Safed Pool, Antheri (East), MUMBAI - 400 072.
Tel: 022 2851 5606 / 2851 5644

COMPLIANCE OFFICER:

Mr. Seshdhar Dubey, Executive

ADDRESS FOR CORRESPONDENCE:

AURO LABORATORIES LIMITED

Administrative Office:
314, T. V. Industrial Estate,
S. K. Ahire Marg, Worli, Mumbai - 400 025.
E-mail : auro@aurolabs.com
Telephone No. 66635456 / 66635457

LISTING:

BSE Limited, Mumbai.

STOCK CODE OF THE COMPANY:

BSE Limited, Mumbai.
Scrip Name: AURO LABORATORIES LIMITED
Scrip Code: 530233.
Electronic Mode: INE292C01011.

DEPOSITORY CONNECTIVITY: NSDL and CDSL.

ISIN NO. FOR THE COMPANY'S SECURITY: INE292C01011.

DEMATERIALIZATION OF SHARES:

As on March 31, 2013 a total of 30,76,493 Equity Shares representing 49.36% of the paid up capital of the Company were held in dematerialized form with NSDL and CDSL.

AURO LABORATORIES LIMITED

Member can hold Shares in electronic forms and trade the same in Depository System. However, they may hold the same in physical form also.

STOCK PRICES DATA & PERFORMANCE IN COMPARISON TO BSE SENSEX: [AS OBTAINED FROM BSE WEBSITE]

Month	Company's Share		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
April, 2012	6.36	5.35	17664.1	17010.16
May, 2012	5.82	5.01	17432.33	15809.71
June, 2012	5.63	4.68	17448.48	15748.98
July, 2012	5.36	4.67	17631.19	16598.48
August, 2012	7.94	4.57	17972.54	17026.97
Sept., 2012	8.85	6.76	18869.94	17250.8
October, 2012	8.15	6.44	19137.29	18393.42
November, 2012	9.95	7.36	19372.7	18255.69
December, 2012	13.58	8.56	19612.18	19149.03
January, 2013	13.45	9.27	20203.66	19508.93
February, 2013	11.08	8.78	19966.69	18793.97
March, 2013	11.7	8.55	19754.66	18568.43

SHAREHOLDING PATTERN AS ON MARCH 31, 2013:

Category	No. Of shares held	% of shareholding
Promoters	29,23,521	46.90
Bodies Corporate	1,31,647	2.11
Indian Public	22,58,305	36.22
NRI/OCBs	9,14,762	14.67
Cleaning Members	3,865	0.06
Mutual Funds / UTI	400	0.04
Total	62,32,500	100.00

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2013:

No. of Equity Shares held	No. of Shareholders	No. of Shares held	% of Equity Capital
Upto 500	6510	989831	15.89
501-1000	507	445152	7.14
1001-5000	313	723264	11.60
5001 to 10000	23	174584	2.80
10001 to 100000	27	702153	11.27
100001 to above	13	3197516	51.30
Total	7393	62,32,500	100.00

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PLANT LOCATIONS:

K-56, MIDC Industrial Area, Tarapur, Boisar, Dist. Thane - 401 506.

COMPLIANCE:

A certificate has been obtained from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance and is attached to this report.

POSTAL BALLOT:

The provision relating to Postal Ballot will be complied with in respect of matters, wherever applicable.

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

AURO LABORATORIES LIMITED

CEO CERTIFICATION:

The Board of Directors
Auro Laboratories Limited,
Mumbai

Re: Financial Statements for the year 2012-13— Certification by CEO:

I, Sharat Deorah, Managing Director of Auro Laboratories Limited, hereby certify that:

(a) I have reviewed Financial Statements and the Cash Flow Statement for the financial year ended March 31, 2013 and to the best of our knowledge and belief:

i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the period, which are fraudulent, illegal or violative of the Company's code of conduct.

(c) I am responsible for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) I have indicated to the Auditors and the Audit Committee that:

i. there have been no significant changes in internal control over financial reporting during the year,

ii. there have been no significant changes in accounting policies during the year, and

iii. there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For AURO LABORATORIES LIMITED

SHARAT DEORAH
Managing Director

Dated: 30th May, 2013

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AUDITORS' CERTIFICATE

To
The Members,
AURO LABORATORIES LIMITED,

We have examined the compliance of conditions of Corporate Governance by AURO LABORATORIES LIMITED for the year ended on March 31, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR KOTHARI JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS

{SUNIL KOTHARI}
PROPRIETOR
M. NO. 043842

Place: Mumbai.

Dated: 30th May, 2013.

AURO LABORATORIES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW:

The main business of the Company is manufacturing and sale of Chemicals, Dyes and Bulk Drugs used in Industrial and Domestic purposes.

OPPORTUNITIES, THREATS, RISKS, CONCERNS AND OUTLOOK:

During the year under review your Company performed well and managed to increase its total sale by about 79.65%.

The roller coaster ride of Indian economy turned on downward slope in FY 12. Factors like unmanageable inflation, higher cost of commodities, unprecedented depreciation of Indian rupee against US dollar, reined in liquidity and inflated cost of borrowing tested the much talked about strong fundamentals of Indian economy. The lack of policy assertiveness towards economic reforms coupled with rising fiscal deficit aided to the woes. Thanks to the resilience shown by Indian enterprises and demography, the severity of all these challenges could have been arrested to a greater extent.

Risks and concerns:

a. Global economic environment:

The global economic environment though coming out of the worst possible times, is still faced with the crisis in certain European Countries and the uncertainty continues to remain. The Indian consumer durable industry remains stable in terms of the growth but is facing stiff competition on account of entries of new players. We will need to engage more in diversifying our business model and extending our reach. We will need to offer value proposition to the new customers to develop and growth in business further.

b. Pricing Risks

The pricing across our business is under risk due to competition. We have been providing and offering value added services and benefits to the customers to retain them. We are also investing towards brand building and awareness programme across our businesses to ensure adequate product differentiation.

c. Hiring and Retention Risk

We have been working on retaining the best talent in the industry to work with us but it is a constant challenge to retain the good talent. There is imminent short term risk from new entrants and existing domestic players to hire talent from our Company. We have implemented a number of employee initiatives like job rotations etc. to retain and grow talent.

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EXPORTS:

The main thrust of the Company is on export which constitutes around 37% of total sales of the Company.

The Company is fast consolidating its resources to build a market presence in the international arena. The results are reflected in an exponential growth rate in the last two years as also continuing in the current year.

PERFORMANCE OF THE COMPANY:

The challenges described above did restrict the sales growth to a modest rate, however, your Company managed to achieve a substantial growth in Net Profit. During the current financial year the Company is working towards further improvement in its profitability.

The Focus of the Company for the next financial year is:

☛ Market Leadership

To provide quality, reliability and good value in the products we sell and services we offer. To be sensitive and responsive to changing customer needs right from product development stage to after-sales-service. To aim to become market leaders in whatever we take up— whether in restricted areas for certain products or on an All-India basis for others.

☛ Price Competitiveness

To improve our competitiveness by constantly enhancing the performance of our manufacturing, development, marketing and administrative functions. We would like to improve our profits by higher market share rather than by higher margin.

☛ Consumer Satisfaction

To develop the right relationship between the Company and all its customers, so that the customer's needs are met simply and effectively. Services should not just be a slogan; it should be our 'Dharma'. We have already established a consumer cell to take care of consumer complaints as also desired by the council for FAIR Business Practices

HUMAN RESOURCES:

The Company continuously evaluates its HR policies and practices to attract and develop talent. 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.

Leadership:

● Good leadership is extremely important to Auro and a number of models of leadership are incorporated in the development and training programmes. These are designed to help develop leadership skills for employees already in leadership positions or about to move into such a role. Leadership applies at all levels of management for team leaders, supervisors, managers – in fact for anyone who is responsible for others.

AURO LABORATORIES LIMITED

The Company has, under its employment 60 officers and workmen.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Internal Control Systems are designed to ensure the reliability of financial and other record and accountability of executive action to the management's authorisation. The Statutory Auditors have evaluated the system of internal controls of the Company and have reported that the same are adequate and commensurate with the size of the Company and nature of its business.

The internal control systems are reviewed by the top Management and by the Audit Committee of the Board and proper follow up action is ensured wherever required.

FINANCIAL PERFORMANCE:

The highlights of the financial performance of the Company for the year under review are as under.

- a. The Sales & other Income was Rs. 4434.30 lacs as against Rs. 2548.88 lacs during the previous year.
- b. The Net Profit was Rs. 76.65 lacs as against Rs. 26.17 lacs during the previous year.
- c. The Secured Loan as at March 31, 2013 was Rs. 56.06 Lacs as against Rs. 134.33 Lacs as at March 31, 2012.

Outlook

For the Indian economy, this was a year of unfulfilled expectations owing to both domestic and external factors. India's Gross Domestic Product (GDP) is estimated to grow by 20% in FY 2013-14.

With agriculture and services continuing to perform well, the slowdown can be attributed mostly to weak industrial growth. Rising cost of credit prompted by an activist monetary policy to check inflation added to the decline in the investment climate arising out of governance issues.

The Company will continue its focus on better cost management, reducing inefficiency, improving supply chain and improving productivity so that it can continue to gain market share, improve its operating performance. The Company has a balanced business portfolio, which is both consumer centric and infrastructure oriented, strong distribution network, wide product portfolio, large service infrastructure, excellent vendor base and dedicated employees along with excellent channel partners continue to be the major areas of strength for the Company.

CAUTIONARY STATEMENT:

Statement in the Management Discussion and Analysis describing the Company's objectives, expectations, estimates or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic supply and demand

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conditions affecting selling prices of finished goods, input availability and prices, changes in Government regulations, tax laws, economic developments within the country and other incidental factors. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis, of any subsequent developments, events or information.

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

AURO LABORATORIES LIMITED

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

On Compliance with the conditions of corporate governance under clause 49 of the listing agreement.

To

**The Members,
AURO LABORATORIES LIMITED,**

We have examined the compliance of conditions of Corporate Governance by **AURO LABORATORIES LIMITED** ("The Company"), for the year ended on March 31, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

As required by the guidance note issued by The Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, there were no investor grievances remaining unattended, pending for more than 30 days.

We further state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR KOTHARI JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 113041 W**

**[SUNIL KUMAR KOTHARI]
PROPRIETOR
M. No. 043842**

Place: Mumbai
Dated: 30th MAY 2013

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INDEPENDENT AUDITOR'S REPORT

Auditors' Report to the Members of AURO LABORATORIES LIMITED

1. Report on the Financial Statements

We have audited the attached financial statements of AURO LABORATORIES LIMITED ("the Company"), which comprises the Balance Sheet as at 31st March 2013, the statement of Profit and Loss Account and the Cash Flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid subject to the Notes regarding non provision for gratuity, non provision for diminution in the value of the investments and regarding Doubtful loans and advances of Rs. 7,49,633/-, resulting to understatement of Loss amounting to Rs. 7,49,633/- for the year, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the balance sheet, of the state of affairs of the Company as at 31st March 2013.
- b) In the case of the Profit & Loss Account, of the "Profit" for the year ended on that date.
- c) In the case of the Cash Flow Statement, of the Cash Flow for the year ended on that date.

AURO LABORATORIES LIMITED

5. Report on other legal and Regulatory Requirements

1. As required by the companies (Auditor's Report) Order 2003 ("the Order") issued by the Central Government of India in terms of section 227(4A) of the Act, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by Section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - d) In our opinion the Balance Sheet, the Statement of Profit and Loss and the Cash Flow statement comply with the accounting standards referred to in section 211 (3C) of the Act, except Accounting for Fixed Assets (AS 10), Accounting for Investments (AS 13) and Accounting for Retirement Benefits (AS 15).
 - e) On the basis of the written representations received from the directors as on March 31, 2013, taken on record by the Board of directors, None of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of section 274 (1) (g) of the Act.

For KOTHARI JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 113041 W

SUNIL KUMAR KOTHARI
PROPRIETOR
M.NO. 043842
Place: Mumbai
Date: 30th MAY 2013

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ANNEXURE TO THE AUDITORS REPORT (Referred to in our Report of even date)

We have prepared this annexure on the basis of the Books of Account examined, and information and explanations obtained by us during the course of our Audit. Further, in our opinion and to the best of our knowledge we report that –

- i) a) The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- b) As explained to us, the fixed assets are being physically verified under a phased programme of verification, which in our opinion, is reasonable and no material discrepancies have been noticed on such verification.
- c) The company has not disposed off substantial part of fixed assets, during the year under review, to affect its going concern.
- ii) a) Inventories have been physically verified during the year by management at reasonable intervals.
- b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- c) The company is maintaining proper records of its inventories as required in the normal course of business. The discrepancies noticed on verification between physical stocks and book records were not material.
- iii) a) The company has not granted any loan secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956. The Company has taken unsecured loan from one party amounting to Rs. 110.00 lacs during the year, covered in the register maintained under section 301 of the Companies Act 1956, and the year end balance of loans taken is Rs. 726.07 lacs.
- b) In our opinion, the rate of interest and other term and condition on which the unsecured loans have been taken by the company listed in the register maintained under section 301 of the Companies Act are not prima-facie prejudicial to the interest of the company.
- c) The terms of repayment of the principal amount is not specified.
- d) In our opinion, according to the information and explanation given to us, reasonable steps have been taken by the company for the payment of the principal amount and no amount is overdue for more than rupee one lacs.
- iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchases of inventory and fixed assets and for sale of goods. We have not observed any major weakness in the internal control system during the course of our audit. The Company is continuously correcting weakness detected in internal control.

AURO LABORATORIES LIMITED

- v) a) According to the information and explanation given to us, we are of the opinion that the transaction that need to be entered into the register maintained in pursuance of section 301 of the Companies Act 1956 have generally been so entered.
- b) According to the information and explanation given to us, transactions made in pursuance of contract or arrangements entered into the register maintained under section 301 of the Companies Act 1956 and exceeding the value of Rs. 5.00 lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanation given to us, the company has not accepted deposits from public. Therefore, the provisions of clause (vi) of paragraph 4 of the order are not applicable to the company.
- vii) In our opinion the company has no formal internal audit system commensurate with size and nature of business.
- viii) We have broadly reviewed the books of accounts maintained by the Company pursuant to the order made by the Central Government for maintenance of cost records prescribed under clause (d) of Sub-Section (1) of section 209 of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determining whether they are accurate or complete.
- ix) a) According to the information and explanations given to us and on the basis of examination of the records of the Company, we are of the opinion that the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investors Education and protection fund, Employees' State Insurance, Income Tax, Sales Tax/VAT, Wealth Tax, Custom Duty, Excise Duty, Cess and Other material statutory dues with the appropriate authorities and there are no outstanding unpaid amounts as at the balance sheet date for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no undisputed dues in respect of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty and Cess.
- x) In our opinion, the Accumulated losses of the company at the end of the financial year are not more than fifty per cent of its net worth. The company has not incurred cash losses during the financial year covered by our audit as well as in the immediately preceding financial year.
- xi) In our opinion, according to the information and explanation given to us, the company has not defaulted in repayment of dues to financial institutions or banks.
- xii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or advances against security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the company is not a chit fund or a Nidhi \ Mutual benefit fund Society to which the provisions of any special statute apply: accordingly the provisions of clause 4(xiii) of the Order are not applicable to the company.
- xiv) In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments.

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- xv) In our opinion and as explained to us the company has not given guarantee for loan taken by others from bank or financial institutions.
- xvi) According to the information and explanation given to us and on overall examination of the balance sheet of the company, the Company has applied the term loans for the purpose for which the loans were obtained.
- xvii) According to the information and explanation given to us and on over all examination of the balance sheet of the company, we report that no funds raised on short- term basis have been used for long- term investments. No long- term funds have been used to finance short -term assets except Permanent Working Capital.
- xviii) In our opinion, the company has not made any preferential allotment of shares to parties and Companies covered in the register maintained in pursuance of section 301 of the Companies Act 1956.
- xix) In our opinion, the Company has not issued any debentures during the year under audit.
- xx) The Company did not raise money through public issue during the year under review.
- xxi) According to the information and explanation given to us no fraud on or by the Company has been noticed or reported during the course of our audit.

**For KOTHARI JAIN & ASSOCIATES
CHARTERED ACCOUNTANT
FIRM REGN. NO. 113041 W**

**SUNIL KUMAR KOTHARI
PROPRIETOR
M. No. 043842**

Place: Mumbai
Dated: 30th MAY 2013

AURO LABORATORIES LIMITED

Balance Sheet as at 31st March, 2013

Particulars	Note	31.03.2013		31.03.2012	
		Amount In Rs.		Amount in Rs.	
A EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share capital	2	62325000	62325000	62325000	62325000
(b) Reserves and surplus	3	894632	894632	-6770392	-6770392
		63219632	63219632	55554608	55554608
2 Non-current liabilities	4	83354767	83354767	88784364	88784364
(a) Long-term borrowings					
(b) Deferred tax liabilities (net)					
3 Current liabilities	5	83354767	83354767	88784364	88784364
(a) Short-term borrowings					
(b) Trade payables	6	76613727	76613727	63023043	63023043
(c) Other current liabilities	7	61810874	61810874	47032447	47032447
(d) Short-term provisions		13193664	13193664	12701343	12701343
		0	0	0	0
		151618264	151618264	122756833	122756833
B ASSETS					
1 Non-current assets					
(a) Fixed assets					
(i) Tangible assets	8	106816321	106816321	63814663	63814663
(ii) Capital work-in-progress		0	0	44337894	44337894
		106816321	106816321	108152547	108152547
(b) Non-current investments	9	487982	487982	487982	487982
(c) Deferred tax assets (net)					
(d) Long-term loans and advances	10	2656406	2656406	2086506	2086506
(e) Other non-current assets		0	0	0	0
		109960709	109960709	110730035	110730035
2 Current assets					
(a) Inventories	11	69091570	69091570	91618370	91618370
(b) Trade receivables	12	80728936	80728936	29848806	29848806
(c) Cash and cash equivalents	13	4891376	4891376	3455213	3455213
(d) Short-term loans and advances	14	33520071	33520071	31842381	31842381
(e) Other current assets		0	0	0	0
		188231953	188231953	156365770	156365770
TOTAL		298192662	298192662	267095805	267095805
Accounting Policies	1				
Notes to The Accounts	2 to 21				
in terms of our report attached.					
For KOTHARI JAIN & ASSOCIATES					
Chartered Accountants					
FIRM REG. NO. 113041W					
SUNIL KUMAR KOTHARI					
PROPRIETOR					
M. NO. 043842					
Place: Mumbai					
Date: 30.05.2013					
For and on behalf of the Board of Directors					
SHARAT DEORAH					
Managing Director					
SIDDHARTH DEORAH					
Director					
Place: Mumbai					
Date: 30.05.2013					

Particulars	Note	Year ended	
		31.03.2013 Amount in Rs.	Year ended 31.03.2012 Amount in Rs.
A CONTINUING OPERATIONS			
1 Revenue from operations (gross)	15	474132620	263977179
Less: Excise duty		31278337	9596607
Revenue from operations (net)		442852283	254390572
2 Other income	16	573882	496300
3 Total revenue (1+2)		443430165	25488872
4 Expenses			
(a) Cost of materials consumed	17.a	326830943	206224064
(b) Purchases of stock-in-trade	17.b	0	0
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	17.c	21703685	-14562341
(d) Employee benefits expense	18	19283724	15366222
(e) Finance costs	19	16046129	12690686
(f) Depreciation and amortisation expense		7149971	4713283
(g) Other expenses	20	44748689	27640075
Total expenses		435765141	252271389
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		7665024	2617483
6 Exceptional items		0	0
7 Profit / (Loss) before extraordinary items and tax (5 ± 6)		7665024	2617483
8 Extraordinary items		0	0
9 Profit / (Loss) before tax (7 ± 8)		7665024	2617483
10 Tax expense:			
(a) Current tax expense for current year		0	0
(b) (Less): MAT credit (where applicable)		0	0
(c) Current tax expense relating to prior years		0	0
(d) Deferred tax		0	0
11 Profit / (Loss) from continuing operations (9 ± 10)		7665024	2617483
12 Profit / (Loss) from discontinuing operations (before tax)		0	0
13 Add / (Less): Tax expense of discontinuing operations		0	0
14 Profit / (Loss) from discontinuing operations (12.1 ± 12.2 ± 12.3)		0	0
14 Profit / (Loss) for the year (11 ± 13)		7665024	2617483
16 Earnings per share (of Rs 10/- each):			
(a) Basic		1.23	0.42
(b) Total operations		1.23	0.42
(c) Discontinued operations		1.23	0.42
(d) Total operations		1.23	0.42
Accounting policies	1		
Notes to the Accounts	2 to 21		
For and on behalf of the Board of Directors			
SHARAT DEORAH Managing Director			
SIDDHARTH DEORAH Director			
SUNIL KUMAR KOTHARI PROPRIETOR			
M. NO. 943542 Place: Mumbai Date: 30.05.2013			
For KOTNARI JAIN & ASSOCIATES Chartered Accountants FIRM REG. NO. 113041W			

Particulars	For the year ended 31.03.2013		For the year ended 31.03.2012	
	Amount	Amount	Amount	Amount
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		7665024		2617483
Add: Adjustments for:				
Depreciation and amortisation	7149971		4713283	
Finance costs	16046129		12690686	
		30863124		20021452
Less: Adjustment for:				
Interest income	571561		269440	
Profit on sale of Machinery	1020		47500	
Dividend income		572581	1360	
		30290543		19703152
Operating profit / (loss) before working capital changes				
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	22526800		(21562177)	
Trade receivables	(51079130)		15348149	
Short-term loans and advances	(1877690)		(6948540)	
Long-term loans and advances	(566900)		(526745)	
Other current assets	0		0	
Other non-current assets	0		0	
		(30996919)		(13689313)
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	14778426		14976433	
Other current liabilities	492320		3974067	
Other long-term liabilities				
Short-term provisions				
Long-term provisions				
		15270746		18950500
Cash flow from operating activities		14564370		24964339
Cash generated from operations		0		0
Net income tax (paid) / refunds		14564370		24964339
Net cash flow from / (used in) operating activities (A)		14564370		24964339

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Particulars	For the year ended 31.03.2013		For the year ended 31.03.2012	
	Amount	Amount	Amount	Amount
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital	(5013744)	(37809362)		
Proceeds from sale of fixed assets		47500		
Interest received		269440		
- Others	571561			
Dividend received	1020	1360		
- Others		(5241164)		(37491062)
Net income tax (paid) / refunds		0		0
Net cash flow from / (used in) investing activities (B)	(5241164)	(37491062)		
C. Cash flow from financing activities				
Proceeds from long-term borrowings	(5429598)	13134317		
Repayment of long-term borrowings		9664260		
Net increase / (decrease) in working capital borrowings	13590683			
Proceeds from other short-term borrowings		(12690886)		
Repayment of other short-term borrowings	(16048129)	(7887044)		10107891
Finance cost		0		0
Cash flow from extraordinary items		(7887044)		10107891
Net cash flow from / (used in) financing activities (C)				
Net Increase/(decrease) in Cash & cash equivalents (A+B+C)	1436163	(2418832)		
Cash and cash equivalents at the beginning of the year	3455213	5874045		
Cash and cash equivalents at the end of the year	4891376	3455213		

In terms of our report attached
For KOTHARI JAIN & ASSOCIATES
Chartered Accountants
Firm Registration No. 113041W

SUNIL KUMAR KOTHARI
PROPRIETOR
M.No. 043842

Place : Mumbai
Date : 30.05.2013

For and on behalf of the Board of Directors

SHARAT DEORAH
Managing Director

SIDDHARTH DEORAH
Director

Place : Mumbai
Date : 30.05.2013

AURO LABORATORIES LIMITED

AURO LABORATORIES LIMITED

I. SIGNIFICANT ACCOUNTING POLICIES

i. Basis of preparation of financial statements

The financial statements have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises accounting standards notified by the Central Government of India under section 211 (3C) of the Companies Act, 1956, other pronouncements of Institute of Chartered Accountants of India, the provisions of Companies Act, 1956 and guidelines issued by Securities and Exchange Board of India.

The Company has prepared these financial statements as per the format prescribed by Revised Schedule VI to the Companies Act, 1956 ("The Schedule") issued by Ministry of Corporate Affairs. Previous years figures have been recasted / restated to conform to the classification required by the Revised Schedule VI.

ii. Revenue Recognition

Sales and other Income are accounted on accrual basis and are taken to be inclusive of excise duty but excluding sales tax.

Export incentive/benefits are accounted on accrual basis.

Custom duty benefits in the form of Advance license entitlements are recognized on the export of goods and set off from material cost.

Dividend Income on investments is accounted for when the right to receive the payment is established.

iii. Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. All costs including financial costs which are specifically attributable to the asset are capitalized. Capital Work in Progress includes expenditure incurred during the year and yet to capitalized.

Leasehold land is shown at cost including lease premium paid.

iv. Depreciation

Depreciation on the fixed assets is provided on Straight Line Method at the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation in respect of additions to Assets is being provided on pro-rata basis from the date of such acquisition. Lease Hold land is amortized over the period of lease.

v. Investment

Investments are classified into Current and long term Investments. Current Investments are stated at lower of cost and Fair Market Value. Long-term investments are stated at cost.

vi. Inventories

Inventories are valued on FIFO basis as under:

- 1) Raw Material - At Cost
- 2) Work In progress - At Cost
- 3) Finished Goods - Lower of Cost or Net realizable Value.

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- 4) Stores & Spares - Treated as fully consumed.
- vii. Government grants
Lump sum capital subsidies, not relating to any specific fixed assets, received from State Government for setting up projects are accounted as Capital Reserve in the year of receipt.
- viii. Foreign Exchange Transaction
Foreign Exchange Transactions are recorded at exchange rates prevailing on the dates of the respective transactions. Current Assets and Liabilities in foreign currency as at the Balance Sheet date are translated at the year end exchange rates. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the profit and loss account.

- ix. Employees Benefits
The liability for Leave Encashment is provided for as per actuarial valuation however Gratuity has not been provided.
- x. Borrowing Costs:
Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets up to the date when they are ready for their intended use and other borrowing costs are charged to Profit and Loss Account.

- xi. Taxation:
Provision for Taxation is determined on the basis of the Taxable profits computed for the current accounting period in accordance with the Income Tax, 1961.

Deferred tax resulting from timing difference between book profit and taxable profit for the year is calculated by using the tax rates and laws that have been enacted as on the Balance Sheet Date. The deferred tax assets is recognized and carried forward only to the extent that there is a certainty that the asset will be adjusted in future.

- xii. Contingent Liabilities
Claims against the Company not acknowledged as debts are treated as Contingent Liabilities. Provision in respect of contingent liabilities if any, is made when it is probable that a liability may be incurred and the amount can be reasonably estimated.

- xiii. Earnings per share:
The basic earnings per share (EPS) is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earning per share, net profit after tax for the year and the weighted number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares).

AURO LABORATORIES LIMITED

Auro Laboratories Limited

Notes forming part of the financial statements

Note 2 Share capital

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Number of shares	Amount	Number of shares	Amount
(a) Authorized Equity shares of Rs 10 each	70,00,000	7,00,00,000	70,00,000	7,00,00,000
(b) Issued, Subscribed and fully paid up Equity shares of Rs 10 each	62,32,500	6,23,25,000	62,32,500	6,23,25,000
Total	62,32,500	6,23,25,000	62,32,500	6,23,25,000

Notes:

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

	Number	Amount	Equity shares		Amount
			Number	Amount	
Shares outstanding at the beginning of the year	6232500	62325000	6232500	62325000	62325000
Shares issued during the year	Nil	Nil	Nil	Nil	Nil
Shares bought back during the year	Nil	Nil	Nil	Nil	Nil
Redemption of shares	Nil	Nil	Nil	Nil	Nil
Shares outstanding at the end of the year	6232500	62325000	6232500	62325000	62325000

(b) Shares in the Company held by each Shareholder holding more than 5% shares

	Number	%	Number	%
Siddhartha Deorah	351939	5.647%	322350	5.172%
Auro Impex Private Limited	1168781	18.753%	853781	13.699%
Meena Deorah	515485	8.271%	471677	7.568%
Jayshree Vinod Shah	400000	6.418%	400000	6.418%

Note 3 Reserves and Surplus

Capital Reserve Account	1500000	1500000
State Cash Subsidy		
Share Premium Account	5175000	5175000
TOTAL	6675000	6675000
Profit & Loss Account		
As per Last Balance Sheet	(13445392)	(16062875)
Net Profit/(Loss) for the year	7665024	2617463
Amount available for appropriation	(5780368)	(13445392)
Appropriations:		
Dividend	0	0
Income Tax	0	0
Closing Balance	(5780368)	(13445392)
Total	894632	(6770392)

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Particulars		As at 31.03.2013 Amount	As at 31.03.2012 Amount
Secured Loans			
(b) Term loan from Bank From banks Alishabad Bank (Repayable from July 2010 in 20 Equal Quarterly instalments) Alishabad Bank (Repayable in monthly instalments of Rs. 500000 each)	428056	2320334	
(e) Loans and advances from related parties Unsecured	77704083	75351351	
Total	83354767	88784364	
1. Term Loans from Alishabad Banks are secured by mortgage of immovable assets, both present and future.			
Note 6 Short-term borrowings			
(a) Loans repayable on demand From banks Secured	76613727	63023043	
Total	76613727	63023043	
Notes:			
1. The Working Capital facilities from Alishabad bank are secured by Hypothecation of all types of Stock and book debts.			
2. There is no default in repayment of loans and interest.			
Note 6 Trade payables			
Trade payables: Acceptances Other than Acceptances	61810874	47032447	
Total	61810874	47032447	
Note 7 Other current liabilities			
(a) Current maturities of long-term debt	7500000	7500000	
(b) Interest accrued but not due on borrowings	0	0	
(c) Interest accrued and due on borrowings	0	0	
(d) Other payables	270438	127952	
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	96382	85538	
(ii) Payables on purchase of fixed assets	3272723	2300005	
(iii) Contractually reimbursable expenses	2052121	1917850	
(iv) Others (specify nature)			
Total	13193664	12701343	

AURO LABORATORIES LIMITED

Tangible assets		Gross block at cost		Accumulated depreciation		Net depreciated block	
Balance as at 1st April, 2012	Balance as at 31st March, 2013	Balance as at 1st April, 2012	Balance as at 31st March, 2013	Balance as at 1st April, 2012	Balance as at 31st March, 2013	Balance as at 1st April, 2012	Balance as at 31st March, 2013
(a) Land	438701	439701	101821	4628	106449	333252	337880
Leasehold	0	0	0	0	0	0	0
(b) Factory Buildings	14903755	5542281	20446036	5232155	5906007	14540029	9671600
(c) Office Buildings	7019447	0	7018447	1086961	1201379	5818068	5932486
(d) Roads	337634	0	337634	5503	64345	273289	278792
(e) Plant and Equipment	71422257	43845488	115267745	25437639	31377255	83890490	45944618
(f) Furniture and Fixtures	2763222	289927	3053149	1266603	1448684	1604465	1496619
(g) Vehicles	659132	0	659132	182081	659132	0	0
(h) Computers	931161	222181	1153342	831161	1115729	37613	0
(i) Miscellaneous Assets	484445	251751	736196	371777	417082	319114	112668
Total	98960754	50151628	149112382	35148091	42296062	106816321	63814663
Previous year	99026606	20859515	907000	26591503	532712	68523797	52482588

Note 8 Fixed assets
Auro Laboratories Limited

Auro Laboratories Limited		As at 31.03.2013		As at 31.03.2012	
Note 9 Non-current investments		Amount in Rs.		Amount in Rs.	
Particulars		Total	Total	Total	Total
Long Term at cost, unless otherwise specified					
A. Trade Investments					
(a) Quoted:					
690 Shares of Zee Entertainment Enterprises Ltd. face value of Rs. 1/- each		484982	484982	484982	484982
178 Equity Shares of Dish TV limited		0	0	0	0
155 Equity shares of Wires & Wireless India Limited		0	0	0	0
140 Equity Shares of Zee News Limited		0	0	0	0
85 Equity Shares Zee Learn Ltd.		0	0	0	0
Total (A)		484982	484982	484982	484982
(b) Unquoted					
35 (5) Shares of worli Ind. Properties Limited of face value of Rs. 100/- each (of the 5 shares were issued on purchase of assets and included in the value of asset.		3000	3000	3000	3000
Total (B)		3000	3000	3000	3000
Total (A+B)		487982	487982	487982	487982
Aggregate amount of quoted investments		484982	484982	484982	484982
Aggregate market value of listed and quoted investments		161846	101547	101547	101547
Aggregate amount of unquoted investments		3000	3000	3000	3000
Note 10 Long-term loans and advances					
(a) Security deposits		928062	928062	928062	928062
With Government Bodies		203138	203138	203138	203138
With others		1186104	688583	688583	688583
(b) MAT Credit Entitlements		339102	289723	289723	289723
(c) Tax paid at source		2656406	2089506	2089506	2089506
Total		2656406	2089506	2089506	2089506

Auro Laboratories Limited		As at 31.03.2013		As at 31.03.2012	
Note 11 Inventories (At lower of cost and net realisable value)		Amount in Rs.		Amount in Rs.	
Particulars		Total	Total	Total	Total
(a) Raw materials		12963263	13740619	12963263	13740619
(b) Work-in-progress		49480760	64680675	49480760	64680675
(c) Finished goods (other than those acquired for trading)		6374100	12877870	6374100	12877870
(d) Stores and spares		283447	319206	283447	319206
Total		69091570	91616370	69091570	91616370
Note 12 Trade receivables					
Unsecured considered good					
Over six months		1245612	2078090	1245612	2078090
Others		79483324	27571716	79483324	27571716
Total		80728936	29649806	80728936	29649806
Note 13 Cash and cash equivalents					
(a) Cash on hand		12566	3548	12566	3548
(b) Balances with banks					
(i) in current accounts		-340422	184395	-340422	184395
(ii) in deposit accounts		5219232	3287270	5219232	3287270
- Balances held as margin money or security against borrowings, guarantees and other commitments		4891376	3456213	4891376	3456213
Total		4891376	3456213	4891376	3456213
Note 14 Short-term loans and advances					
(a) Prepaid expenses - Unsecured, considered good		232716	127215	232716	127215
(b) Balances with government authorities					
Unsecured, considered good					
(i) CENVAT credit receivable		16635160	12276672	16635160	12276672
(ii) VAT credit receivable		10803569	7598324	10803569	7598324
(c) Inter-corporate deposits					
Unsecured, considered good		807068	2525838	807068	2525838
Doubtful		749633	1760108	749633	1760108
(d) Others (specify nature)					
Unsecured, considered good		4291875	5239648	4291875	5239648
Doubtful		0	2173576	0	2173576
Total		33520071	31642381	33520071	31642381

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Auro Laboratories Limited

Note 15 Revenue from operations

Particulars	For the year ended	For the year ended
	31st March, 2013	31st March, 2012
	Amount in Rs.	Amount in Rs.
(a) Sale of products @ (Refer Note (f) below)	467162030	257163742
(b) Other operating revenues (Refer Note (f) below)	6970590	6813438
	474132620	263977179
Less:		
Excise duty	31276337	9586607
	442866263	254390672
Total		

Note (f) Sale of products comprises	For the year ended	For the year ended
	31st March, 2013	31st March, 2012
	Amount in Rs.	Amount in Rs.
Manufactured goods	467162030	257163742
Medformin HCL & CRZ	467162030	257163742
Traded goods	0	0
Total - Sale of manufactured goods		
Total - Sale of traded goods	0	0
Total - Sale of products	467162030	257163741.8

Note (f) Other operating revenues # comprise:	For the year ended	For the year ended
	31st March, 2013	31st March, 2012
	Amount in Rs.	Amount in Rs.
Sale of scrap	0	791565
Duty drawback and other export incentives	6051052	5858586
Others (specify nature)	919538	163287
	6970590	6813437.4
Total - Other operating revenues		

Note 16 Other Income

	For the year ended	For the year ended
	31st March, 2013	31st March, 2012
	Amount in Rs.	Amount in Rs.
(a) Interest income (Refer Note (f) below)	571561	269440
(b) Dividend income: from long-term investments others	1020	1360
(c) Other non-operating income (net of expenses directly attributable to such income) (Refer Note (f) below)	1301	227500
Total	573882	498300

Note (f) Interest income comprises:

Interest from banks on:	For the year ended	For the year ended
	31st March, 2013	31st March, 2012
	Amount in Rs.	Amount in Rs.
deposits	487684	269440
Others	83877	0
Total - Interest income	571561	269440

Note (f) Other non-operating income comprises:

Rental income	For the year ended	For the year ended
	31st March, 2013	31st March, 2012
	Amount in Rs.	Amount in Rs.
Profit on sale of fixed assets	0	180000
Commission Recd.	1301	47500
Total - Other non-operating income	1301	227500

AURO LABORATORIES LIMITED

Auro Laboratories Limited

Note 17.a Cost of materials consumed

Particulars	For the year ended	For the year ended
	31.03.2013	31.03.2012
	Amount in Rs	Amount in Rs
Opening stock	14069825	7069989
Add: Purchases	326007828	213223900
Less: Closing stock	13236710	14069825
: Cost of material consumed	326830943	206224084
Total	326830943	206224084

Note 17.b Purchase of traded goods

	For the year ended	For the year ended
	31.03.2013	31.03.2012
	Amount in Rs	Amount in Rs
Traded good	0	0
Total	0	0

Note 17.c Changes in inventories of finished goods, work-in-progress and stock-in-trade

Inventories at the end of the year:	For the year ended	For the year ended
	31.03.2013	31.03.2012
	Amount in Rs	Amount in Rs
Finished goods	6374100	12877870
Work-in-progress	49480760	64690675
Stock-in-trade	55884960	77666646
Inventories at the beginning of the year:		
Finished goods	12877870	5436629
Work-in-progress	64690675	67560675
Stock-in-trade	77558545	62996204
Net (increase) / decrease	21709685	-14562341

Note 18 Employee benefits expense

	For the year ended	For the year ended
	31.03.2013	31.03.2012
	Amount in Rs	Amount in Rs
Salaries and wages	19928176	14994213
Contributions to provident and other funds	224720	179776
Staff welfare expenses	130828	191633
Total	19283724	16366622

Note 19 Finance costs

(a) Interest expense on:	For the year ended	For the year ended
(i) Borrowings	31.03.2013	31.03.2012
(ii) Others - on unsecured loans	Amount in Rs	Amount in Rs
	10796046	7759143
	5262083	4931543
Total	16048129	12690686

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Auro Laboratories Limited

Note 20 Other expenses

Particulars	For the year ended 31st March, 2013		For the year ended 31st March, 2012	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
Consumption of stores and spare parts	1589307	1630535	4250640	188280
Power and fuel	12425738	1282591	2342915	0
Water	0	52361	183218	626203
Rent including lease rentals	163074	1090491	144067	114254
Repairs and maintenance - Buildings	625333	201788	286503	104473
Repairs and maintenance - Machinery	449095	370334	721465	367469
Repairs and maintenance - Others	721465	604542	3609196	211407
Insurance	594628	556150	712982	289681
Rules and taxes	6715404	2287261	1756620	1562371
Communication	2478442	2500	2500	2500
Traveling and conveyance	7972268	6088992	12703	12703
Printing and stationery	11203	362269	50000	0
Freight and forwarding	660313	0	0	2982398
Sales commission	50000	0	0	818915
Laboratory Chemicals	0	0	0	0
Factory and Office Expenses	2954265	0	0	0
Bank Charges	0	0	0	0
Profession Tax (Company)	0	0	0	0
Export Expenses	0	0	0	0
Donations and contributions	0	0	0	0
Legal and professional	0	0	0	0
Payments to auditors (Refer Note (i) below)	0	0	0	0
Loss on fixed assets sold / scrapped / written off	0	0	0	0
Net Foreign Exchange Loss	0	0	0	0
Miscellaneous expenses	0	0	0	0
Total	44748689	27840075		

Notes:

Particulars	For the year ended 31 March, 2013		For the year ended 31 March, 2012	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):				
As auditors - statutory audit	50000	50000	0	0
For taxation matters	0	0	0	0
For company law matters	0	0	0	0
Total	50000	50000		

AURO LABORATORIES LIMITED

Auro Laboratories Limited

Notes forming part of the financial statements

Note 30 Disclosures under Accounting Standards (contd.)

Note	Particulars	For the year ended 31 March, 2013		For the year ended 31 March, 2012	
		Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
30.5	Details of borrowing costs capitalised Borrowing costs capitalised during the year - as fixed assets / intangible assets / capital work-in-progress - as inventory	0	0	188280	188280

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22. Notes on Financial Statements:

I. CONTINGENT LIABILITIES AND COMMITMENTS

	2013	2012
A. Contingent liabilities and commitments	44518561	16757714
B. Claims against the Company not acknowledged As debts	Nil	Nil
C. Estimated amount of contracts remaining to be Executed on capital account and not provided for	Nil	Nil

I. The Income Tax Assessments of the Company have been completed up to Assessment year 2010-11.

II. EARNINGS PER SHARE (EPS)

Earnings	
Net Profit for the year (net of taxes)	7665024 2617483

Shares

Number of equity shares at the beginning of the Year	6232500	6232500
Number of Equity shares outstanding at the end of The year	6232500	6232500
Weighted average number of equity shares Outstanding during the year	6232500	6232500
Earning per share of par value Rs. 10 - Basic Rs.	1.23	0.42
- Diluted Rs.	1.23	0.42

III. RELATED PARTY DISCLOSURES

A) Related parties where control exists or where significant influence exists and with whom transaction have taken place during the year.

Associate Company

1. Auro Impex limited
2. Phalguni Enclave Private Limited

Key Management personnel Represented on the board

1. Shri Sharath Deorah - Managing director
2. Shri Siddharth Deorah - Director

Non Executive/Independent Directors on the Board

AURO LABORATORIES LIMITED

1. Shri Kailash Chandra Bubna
2. Shri Goverdhandas Aggarwal

B) The following is a summary of significant related party transactions:

1. Sales to	Nil	Nil
2. Purchases from	Nil	Nil
3. Rent Received from Auro Impex Ltd.	Nil	180000
4. Interest paid to		
Auro Impex limited	4272300	4370707
Phalguni Enclave Private Limited	979783	560836

5. Loan received from

Auro Impex limited	Nil	Nil
Phalguni Enclave Private Limited	11000000	1300000

6. Loan paid to

Auro Impex limited	Nil	2850000
Phalguni Enclave Private Limited	155614	1300000
Mr. Sharath Deorah	4902500	182500
Mr. Siddhartha Deorah	1800000	250000

7. The Company has the following amounts due to related parties:

Auro Impex limited	47470000	47470000
Phalguni Enclave Private Limited	16844386	6000000
Mr. Sharath Deorah	7092500	11995000
Mr. Siddhartha Deorah	3000000	3000000

I. RAW MATERIAL CONSUMED DURING THE YEAR

4 Chloro 2 Amino	56605083	22216829
Dicyanamide	119047260	87468848
Dimethylamine HCL	81659337	63831075
Methanol	11380765	6026702
Furnace oil	28379068	19399663
Packing Material	8519073	7013747
Acetic Acid	2639156	747617
Caustic Soda	2116608	677752
Urea	5373953	2203222
Xylene	2516548	1643902
Para Chloro Benzyl	2694673	Nil
Other	5076305	2742160
Total	326007828	213223900

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I. DETAILS OF IMPORTED AND INDIGENOUS RAW MATERIALS, SPARES AND PACKING MATERIAL CONSUMED:

Raw Material		
Imported	82202540	68841422
Indigenous	243805288	144382478

Store, Chemicals and Spares

Imported	Nil	Nil
Indigenous	Nil	Nil

II. CIF VALUE OF IMPORTS

Raw Material	82202540	68841422
Components & spare parts	Nil	Nil
Capital Goods	Nil	Nil

III. EARNINGS IN FOREIGN CURRENCY

Exports on FOB Basis	171847875	144016876
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IV. EXPENDITURE IN FOREIGN CURRENCY

CIF Value of Imports		
Traveling	260125	104293
Export Expenses	1170352	Nil
Commission on Export	502512	1432281
Inspection on Fees	1013310	Nil

V. SEGMENT INFORMATION

Based on the guiding principles given in the Accounting Standard 17 on "Segment Reporting" issued by The Institute of Chartered Accountants of India, the Company is a single segment Company engaged in the business of Bulk Drugs.

VI. DEFERRED TAX ASSETS/LIABILITIES

A] Deferred Tax Assets	1559	1559
a] Carried forward Losses	23613164	25984094
b] Unabsorbed Depreciation		
Total A	23614723	25985653
B] Deferred Tax Liabilities		
a] Fixed Assets WDV	31959879	25984672

AURO LABORATORIES LIMITED

Deferred Tax Liabilities/ Assets [A-B] 8345156 981

Considering the past performance and present scenario, the Company does not expect future taxable profits/no provision has been made for the deferred tax assets/liabilities as on 31st March 2013.

I. Previous year's figures have been regrouped, rearranged and reclassified wherever necessary.

For KOTHARI JAIN & ASSOCIATES
CHARTERED ACCOUNTANT
FIRM REGN. NO. 113041 W For and on behalf of the Board

SUNIL KUMAR KOTHARI Director
PROPRIETOR Director
M. No. 043842

Place: Mumbai
Dated: 30th MAY 2013

AURO LABORATORIES LIMITED

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

PROXY FORM

I / We _____ being a Shareholder/Shareholders of
of _____
AURO LABORATORIES LIMITED hereby appoint
_____ of _____
or falling him/her _____ of _____
or falling him/her _____ of _____

as my/our Proxy to attend and vote for me/us and on my/our behalf at the 24th Annual
General Meeting of the Company to be held on Tuesday the 6th day of August 2013
at 11.00 a.m. and at any adjournment thereof.

Signed on this _____ day of _____ 2013

Affix a
Revenue
Stamp

Signature of Shareholder _____

Note : The Proxy form duly completed and signed must be deposited at the
Registered Office of the Company at K-56, M.I.D.C. Industrial Area, Tarapur, Boisar, Dist.
Thane- 401 506 not less than 48 hours before the time for holding the Meeting.

Name _____
Address _____
Regd.Folio.No. _____ No.of Shares held _____
Client I.D. No. _____ DP. ID. No. _____

(TEAR HERE)

AURO LABORATORIES LIMITED

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

ATTENDANCE SLIP

I/We hereby record my/our presence at the 24th Annual General Meeting of the
Company at the Registered Office of the Company at K-56, M.I.D.C. Industrial Area, Tarapur,
Boisar, Dist. Thane- 401 506 on Tuesday the 6th day of August 2013 at 11.00 a.m.

Name _____
Address _____
Regd.Folio.No. _____ No.of Shares held _____
Client I.D. No. _____ DP. ID. No. _____
Name of Proxy/Representative, if any _____
Signature of the Shareholder(s)/Proxy/Representative _____

Please bring this attendance slip to the meeting hall and hand it over at
the entrance after affixing the necessary signature.