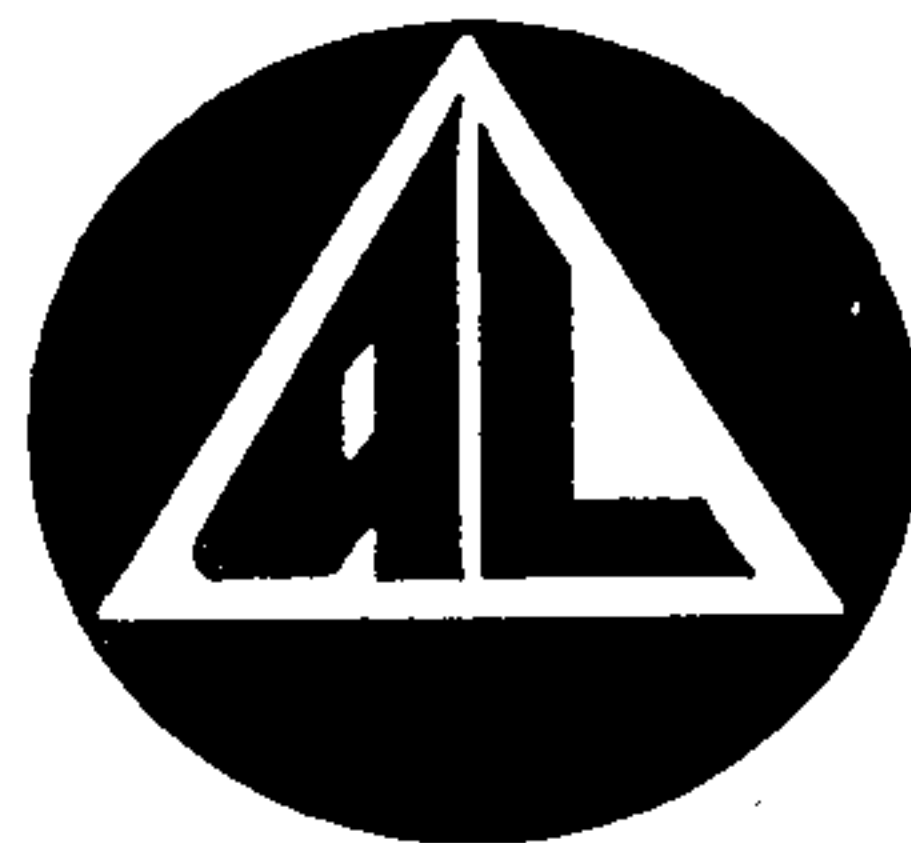


ANNUAL REPORT 2010 - 2011



AURO LABORATORIES LIMITED

AURO LABORATORIES LIMITED

BOARD OF DIRECTORS

Sharat Deorah
Siddhartha Deorah
Kailash Chandra Bubna
Goverdhandas Aggarwal

Managing Director
Director
Director
Director

AUDIT COMMITTEE

Kailash Chandra Bubna
Goverdhandas 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

AURO LABORATORIES LIMITED

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 22nd Annual General Meeting of the members of AURO LABORATORIES LIMITED will be held on September 29, 2011 at 11 A. M. at the registered office of the Company at K-56, M.I.D.C. Industrial Area, Tarapur, Boisar, Dist. Thane, Maharashtra - 401 506 to transact, with or without modification(s) the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended March 31, 2011 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. Kailash Chandra Bubna, who retires from office by rotation, and being eligible offers him-self 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.

July 30, 2011.

For and on behalf of the Board

For AURO LABORATORIES LIMITED

SHARAT DEORAH
Managing Director

ANNUAL REPORT 2010-2011

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 27/09/2011 to 29/09/2011 (both days inclusive).

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

4. Members / Proxies are requested to please bring their copies of the Annual Report to the meeting since copies of the Annual Report will not be distributed at the meeting.

5. The Company has listed its shares on The Bombay Stock Exchange Limited, Mumbai.

6 a. The Company has appointed M/s. SHAREX DYNAMIC (INDIA) PRIVATE LIMITED as Common Registrar & Transfer Agent of the Company for physicals as well as demat mode of transfers. Members are therefore requested to send their grievances to them for early disposal at the address given below.

b. Members holding Shares in physical form are requested to notify immediately any change in their address with PIN CODE to the Registrar and Transfer Agent of the Company at the address given below AND in case their shares are held in demat, this information should be passed on directly to their respective Depository Participants and not to the Company.

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

7. All documents referred to in the Notice are open for inspection at the registered office of the Company during office hours on all working days except public holidays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.

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

9. Members who are holding shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification at the meeting.

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

AURO LABORATORIES LIMITED

LISTING REQUIREMENTS:

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

Name : MR. KAILASH CHANDRA BUBNA
Age : 57 [16/12/1954].
Qualifications : B.com.

Mr. Kailash Chandra Bubna is associated with the Company since July 14, 2009 and look after overall administration and marketing of the Company. He has an experience of over 20 years in the field of administration.

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

Registered Office: For and on behalf of the Board

K-56, M.I.D.C. Industrial Area, For AURO LABORATORIES LIMITED
Tarapur,

Boisar,
Thane - 401 506.
July 30, 2011.

SHARAT DEORAH
Managing Director

ANNUAL REPORT 2010-2011

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have great pleasure in presenting 22nd Annual Report together with the Audited accounts for the year ended March 31, 2011.

FINANCIAL RESULTS:	Year ended 31.03.2011 Rs. In Lacs	Year ended 31.03.2010 Rs. In Lacs
Sales & Other Income	2210.14	1215.81
Profit before depreciation & tax	64.95	42.14
Profit after Depreciation	20.51	8.13
Profit / Loss after tax	20.51	8.13
Balance brought forward	-181.13	-189.26
Balance carried forward	-160.62	-181.13

OPERATIONS:

In the current financial year the company has performed well and achieved a total income of Rs. 22.10 Crores as against Rs. 12.16 Crores in previous year which is about 83 % more than the previous year. The production capacity has increased and the product mix has got good demand with our domestic and overseas customers. New machineries have been 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:

Due to carry forward losses, your Directors do not recommend any dividend for the year ended March 31, 2011.

RESEARCH & DEVELOPMENT:

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

FIXED DEPOSITS:

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

BOARD OF DIRECTORS:

Mr. Kailash Chandra Bubna retires by rotation and being eligible offer himself for reappointment.

AURO LABORATORIES LIMITED

DIRECTORS RESPONSIBILITY STATEMENT:

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

1. In the preparation of the annual accounts, the applicable accounting standards have been followed.
2. Appropriate policies have been selected and applied consistently and judgments and estimates wherever made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The annual accounts have been prepared on a going concern basis.

AUDITORS:

M/s. Kothari Jain & Associates, Chartered Accountants, Auditors of the Company are retiring at the ensuing Annual General Meeting. They are eligible for re-appointment and have expressed their willingness to act as auditors, if re-appointed. The Company has received a certificate from them that they are qualified under section 224 (1) of the Companies Act, 1956, for appointment as Auditors of the Company. Members are requested to consider their appointment at a remuneration to be decided by the Board of Directors for the financial year ending March 31, 2012 as set out in the Notice convening the Meeting.

AUDITORS' OBSERVATIONS:

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

AUDIT COMMITTEE:

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

DEPOSITORY SERVICES:

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

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

ANNUAL REPORT 2010-2011

CORPORATE GOVERNANCE:

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

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 Mumbai Stock Exchange 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 has taken all the necessary steps for safety and environmental control and protection at the plant.

ACKNOWLEDGMENT:

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

Registered Office:

K-56, M.I.D.C. Industrial Area,
Tarapur, Boisar,
Thane - 401 506.
July 30, 2011.

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 given here under :

CONSERVATION OF ENERGY:

a) Energy Conservation measures taken :

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

b) Additional investments and proposals, if any being implemented for the reduction of consumption of energy
None

c) Impact of the measures at (a) and (b) above for the reduction of production of goods :
Negligible

d) Total energy consumption and energy consumption per unit of the production as under :

	Year Ended 31.03.2011	Year Ended 31.3.2010
1. ELECTRICITY		
(a) Purchase Unit (In Lacs)	11.85	9.40
Total Amount (Rs. In Lacs)	66.00	47.17
Rate / Unit (Rs.)	5.57	5.01
(b) Own generation (through diesel generator)	NIL	NIL
2. LIGHT DIESEL OIL LDO/FURNACE OIL		
(FOR PRODUCTION)		
Quantity (Ltr. In Lacs)		
LDO	0.26	0.11
FURNACE OIL	4.42	3.94
Total Amount (Rs. In Lacs)		
LDO	10.44	4.20
FURNACE OIL	118.02	93.81
Average rate per Ltr. (Rs.)		
LDO	40.15	36.58
FURNACE OIL	26.70	23.83
3. CONSUMPTION PER KG. OF PRODUCTION:		
Products (Kg.)	1065958	635721
Electricity (Rs.)	6.19	7.41
Diesel / FO(Rs.)	12.05	15.41

ANNUAL REPORT 2010-2011

TECHNOLOGY ABSORPTION

Research & Development (R & D)

- | | |
|---|------|
| 1 . Specific areas in which R & D carried out by the Company: | None |
| 2 . Benefits derived as a result of the above R & D : | Nil |
| 3 . Future plan of action : | None |
| 4 . Expenditure on R & D : | Nil |
- Technology absorption, adaptation and innovation:

- | | |
|--|------|
| 1. Efforts in brief made towards technology absorption, adaptation and innovation : | None |
| 2. Benefits derived as a result of the above efforts : | None |
| 3. Technology Imported during the last five years : | |
| a] Technology imported : | Nil |
| b] Year of Import : | Nil |
| c] Has technology been fully absorbed : | N.A. |
| d] If not fully absorbed, areas where it has not taken place, reasons thereof, and future plans of action : | N.A. |

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign exchange earnings

FOB Value of export: Rs. 7,13,32,399/- (Previous Year Rs. 3,54,08,195/-).

Foreign exchange outgo

Foreign traveling expenses: Rs. 5,08,307/- (Previous Year Rs. 8,57,008/-).

Place: MUMBAI
Dated: July 30, 2011

For & on behalf of the Board

SHARAT DEORAH
MANAGING DIRECTOR

AURO LABORATORIES LIMITED

ANNEXURE - 'B' TO DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

AURO LABORATORIES LIMITED ("the Company") is committed to adhere to the corporate governance code as prescribed by the SEBI and Stock Exchange and has accordingly implemented various aspects of the code.

To implement the Corporate Governance practice, Auro Laboratories Ltd., has a well defined policy consisting of the following:

- Ensure that the Quality and frequency of Financial and Managerial Information's, which the Management shares with the Board, fully placed before the Board Members in control of the Company's affairs.
- Ensure that the Board exercises its Fiduciary responsibilities towards Shareowners and Creditors, thereby ensuring high accountability.
- Ensure that the extent to which the information is disclosed to present and potential investors is maximized.
- Ensure that the decision-making is transparent and documentary evidence is traceable through the minutes of the meetings of the Board/Committees thereof.
- Ensure that the Board, the Management, the Employees and all the other stakeholders are fully committed to maximizing long-term value to the shareowners and to the Company.
- Ensure that the core values of the Company are protected.
- Ensure that the Company positions itself from time to time to be at par with any other world-class Company in operating practices.

BOARD OF DIRECTORS:

The Company presently has Four Directors. Two of the Directors are Executive Directors & the remaining Two are Non Executive Directors. The Executive Directors consist one Managing Director and other whole time Director. The Two Non Executive Directors are Independent Directors and professionals with expertise and experience in general corporate management, finance and other allied fields.

As per clause 49 of the Listing Agreement, if the Chairman is the Executive Chairman at least half of the board should consist of Non Executive Directors & half of the Board shall comprise of Independent Directors. In case of Auro Laboratories Ltd., 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.

Composition of the Board of Directors has a healthy mix of Executive & Non Executive Directors & ensures the desired level of independence and functioning & decision making.

The details of composition of the Board, category, number of other Directorships and other Committee Memberships are as follows:

ANNUAL REPORT 2010-2011

BOARD MEETINGS:

The Board of Directors met 5 times during the financial year i.e. on 30/04/2010, 31/05/2010, 31/07/2010, 31/10/2010 and 31/01/2011.

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

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

Name of Director	Category	No. of Board Meeting attended	Attendance at last AGM	No. Of Other Directorships Held As on 31/3/11		Outside Committee Position Held As on 31/3/11	
				Public	Private	Mem.	Chmn.
Mr. Sharat Deorah	CMD	5	YES	--	2	--	--
Mr. Siddhartha Deorah	WTD	5	YES	--	2	--	--
Mr. Goverdhandas Aggarwal	NED	5	YES	2	--	--	--
Mr. Kailash Chandra Bubna	NED	5	YES	--	--	--	--

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

AURO LABORATORIES LIMITED

INFORMATION SUPPLIED TO THE BOARD

The Board has complete access to all information with the Company & to any of the employee of the Company. The Board is provided with all the relevant information on the important matters affecting the working of the Company as well as the related details required deliberations by the members of the board.

Among others, this includes:

- Annual operating plans, capital budgets and updates.
- quarterly results of the Company and its operating divisions.
- minutes of meeting of audit committee and other committees.
- information on recruitment and remuneration of senior officers just below the board level.
- general notices of interests.
- Materially important show cause, demand, prosecution and penalty notices.
- Fatal or serious accidents or dangerous occurrences.
- details of any joint venture of collaboration agreement.
- sale of material nature of investments, subsidiaries, assets which is not in the normal course of business.
- foreign exchange exposure and the steps taken by the management to limit the risk of adverse exchange rate movement.
- Any materially significant effluent or pollution problem.
- Any issue which involves possible public or product liability claims of a substantial nature.
- Significant development in the human resource and industrial relations fronts.
- Legal compliance reporting system.

The Board is routinely presented with all information under the above heads whenever applicable and materially significant.

As mandated by the revised 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.

ANNUAL REPORT 2010-2011

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. 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 five times during the year on 30/04/2010, 31/05/2010, 31/07/2010, 31/10/2010 and 31/01/2011.

Attendance record at the meetings of the Audit Committee of Directors during financial year 2010-2011.

Name of the Members	Status	No. of Meetings Attended
MR. Kailash Chandra Bubna	CHAIRMAN	5
MR. Goverdhandas Aggarwal	MEMBER	5
MR. Siddhartha Deorah	MEMBER	5

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 September 17, 2010 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 five times during the year on 30/04/2010, 31/05/2010, 31/07/2010, 31/10/2010 and 31/01/2011.

The composition of the Shareholders' Committee and details of the meetings attended by the Directors during the year 2010-11 are given below:

AURO LABORATORIES LIMITED

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	5
MR. Goverdhandas Aggarwal	MEMBER	5
MR. Siddhartha Deorah	MEMBER	5

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.	5	5	NIL
TOTAL		5	5	NIL

REMUNERATION:

The Company has constituted 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 do 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

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.

ANNUAL REPORT 2010-2011

STEPS FOR PREVENTION OF INSIDE TRADING

In compliance of the SEBI (Prevention of inside 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. 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.

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
31.03.2008	09.09.2008	11 A.M.	Registered Office
31.03.2009	18.08.2009	11 A.M.	--As above --
31.03.2010	17.09.2010	11 A.M.	--As above --

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	: 22nd Annual General Meeting.
DAY & DATE	: September 29, 2011.
TIME	: 11 A. M.
VENUE	: Registered Office.

FINANCIAL CALENDAR:

- * Financial reporting for the quarter ended June 30, 2011 : End of July, 2011.
- * Financial reporting for the quarter ended Sept.30, 2011 : End of Oct., 2011.
- * Financial reporting for the quarter ended Dec. 31, 2011 : End of Jan., 2012
- * Financial reporting for the Year ended March 31, 2012 : Audited by May 31, 2012.

DATE OF BOOK CLOSURE: 27/09/2011 TO 29/09/2011 [Both days inclusive].

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 requirement of SEBI circular Nos. SMD/POLICY/CIR-10/02 dated May 7, 2002 to effect transfer of shares within one month, 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 30 days.

ANNUAL REPORT 2010-2011

TRANSFER UNDER PHYSICAL AND DEMAT MODE:

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

COMPLIANCE OFFICER:

Mr. Seshdhar Dubey

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:

Bombay Stock Exchange Limited, Mumbai.

STOCK CODE OF THE COMPANY:

Bombay Stock Exchange 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.

DEMATERIALISATION OF SHARES:

As on March 31, 2011 a total of 30,46,293 Equity Shares representing 48.88% of the paid up capital of the Company were held in dematerialized form with NSDL and CDSL.

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 High (Rs.)	BSE Sensex		
		Low (Rs.)	High	Low
April, 2010	9.24	7.61	18047.86	17276.80
May, 2010	9.35	7.33	17,536.86	15,960.15
June, 2010	10.3	8.12	17,919.62	16,318.39
July, 2010	9.4	8	18,237.56	17,395.58
August, 2010	11.3	8.37	18,475.27	17,819.99
Sept., 2010	12.9	10	20,267.98	18,027.12
October, 2010	16.5	9.56	20,854.55	19,768.96
November, 2010	14.25	10.54	21,108.64	18,954.82
December, 2010	12.55	8.51	20,552.03	19,074.57
January, 2011	10.95	8.08	20,664.80	18,038.48
February, 2011	10.68	8	18,690.97	17,295.62
March, 2011	10.29	7.16	19,575.16	17,792.17

AURO LABORATORIES LIMITED

SHAREHOLDING PATTERN AS ON MARCH 31, 2011:

Category	No. Of shares held	% of shareholding
Promoters	24,79,320	39.78
Private Bodies Corporate	1,70,851	2.74
Indian Public	24,72,490	39.67
NRI/OCBs	11,09,839	17.81
Total	62,32,500	100.00

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2011:

No. of Equity Shares held	No. of Shareholders	No. of Shares held	% of Equity Capital
Upto 500	7139	1108872	17.79
500-1000	581	510490	8.19
1001-5000	343	769262	12.34
5001-10000	22	154883	2.49
10001 & above	43	3688993	59.19
Total	8128	6232500	100.00

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.
July 30, 2011.

For and on behalf of the Board

For AURO LABORATORIES LIMITED

SHARAT DEORAH
Managing Director

ANNUAL REPORT 2010-2011

CEO CERTIFICATION:

The Board of Directors
Auro Laboratories Limited,
Mumbai

Re: Financial Statements for the year 2010-11 – 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, 2011 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
July 30, 2011.

AURO LABORATORIES LIMITED

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, 2011, 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
FIRM REGN. NO. 113041W

Sd/-
[SUNIL KUMAR KOTHARI]
PROPRIETOR
M. NO. 043842

Place : Mumbai.
Dated : July 30, 2011.

ANNUAL REPORT 2010-2011

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 83%.

The general outlook with respect to this Industry in India is of caution under immense competitive pressure. However the intrinsic strength of your company has helped us to effectively overcome such pressure and the sales therefore should register a modest but definite growth.

EXPORTS:

The main thrust of the Company is on export which constitutes around 35% 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.

HUMAN RESOURCES:

Development of skills and updating of knowledge are essential for continues growth of any organization. Your Company considers human resources as a key asset. Therefore, your Company not only implemented many in house training programs but also sent selected employees to suitable outside programs to keep them abreast of the latest developments in the industry and economy.

To establish direct link between performance and reward, your Company has been steadily increasing the weightage of actual performance in remuneration packages. 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.

AURO LABORATORIES LIMITED

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. 2210.14 lacs as against Rs. 1215.81 lacs during the previous year.
- b. The Net Profit was Rs. 20.51 lacs as against Rs. 8.13 lacs during the previous year.
- c. The Secured Loan as at March 31, 2011 was Rs. 587.61 Lacs as against Rs. 470.70 Lacs as at March 31, 2010.

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 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.

July 30, 2011.

For and on behalf of the Board

For AURO LABORATORIES LIMITED

SHARAT DEORAH
Managing Director

ANNUAL REPORT 2010-2011

AUDITOR'S REPORT

Auditors' Report to the Members of AURO LABORATORIES LIMITED

We have audited the attached Balance Sheet of AURO LABORATORIES LIMITED as at 31st March 2011 and also the related Profit and Loss Account annexed thereto and the Cash Flow statement for the year ended on the date, which have signed under reference to this report. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 of India (The 'Act') and on the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of audit, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- I. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- II. In our opinion proper books of accounts as required by the law have been kept by the company so far as it appears from our examination of the books.
- III. The Balance Sheet and Profit & Loss account and Cash Flow statement dealt with by this report are in agreement with the books of accounts.
- IV. In our opinion, the Balance sheet, Profit and Loss account and cash flow statement dealt with by this report complies with the Accounting Standards issued by the Institute of Chartered Accountants of India, referred to in Section 211 (3C) of the Companies Act, 1956, except Accounting for Fixed Assets (AS 10), Accounting for Investments (AS 13) and Accounting for Retirements Benefits (AS15).
- V. On the basis of written representation received from the Directors as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as directors of the Company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

AURO LABORATORIES LIMITED

VI. In our opinion, and to the best of our information and according to the explanations given to us, subject to, Note No. 1 regarding non provision for gratuity, Note no. 3 regarding non provision for diminution in the value of the investments and Note no. 7 regarding Doubtful loans and advances Rs. 39,33,684/- in Schedule " R ", resulting to understatement of Loss amounting to Rs. 39,33,684/- for the year, the said accounts read together with other notes thereon, give the information required by the Companies Act, 1956 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 2011.
- 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.

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

SUNIL KUMAR KOTHARI
PROPRIETOR
M.NO. 043842
Place: Mumbai
Date: 30th JULY 2011

ANNUAL REPORT 2010-2011

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 Fixed Assets Register and the same is updated.
- b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regards to the size of the company and nature of its assets. We were informed that no material discrepancies were 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) The management, during the year under review, has conducted physical verification of inventory. The Frequency of such verification is reasonable in relation to the company, nature of its business and nature of inventory.
- 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 inventory 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 four parties amounting to Rs. 105.20 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. 717.475 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 payment of the principal amount and no amount is overdue for more than rupee one lacs.
- iv) In our opinion, 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 with regards to purchases of inventory and fixed assets and for sale of goods. Company is continuously correcting weakness detected in internal control.
- 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.

AURO LABORATORIES LIMITED

- 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.
- vii) In our opinion the company has no formal internal audit system commensurate with size and nature of business.
- viii) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of Sub- Section (1) of section 209 of the Companies Act 1956 for the nature of industry in which the Company is doing business.
- ix) a) According to the information and explanations given to us and according to the records of the company, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and Other material statutory dues with the appropriate authorities.
- 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. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiv) In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments.
- 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.

ANNUAL REPORT 2010-2011

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 review.

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 JULY 2011

AURO LABORATORIES LIMITED

BALANCE SHEET AS AT 31ST MARCH 2011

Particulars	SCH.	AS AT	
		31.3.2011	31.03.2010
SOURCES OF FUNDS			
Shareholder's Funds			
Share Capital	" A "	62,325,000	62,325,000
Reservs & Surplus	" B "	5,175,000	5,175,000
Cash Subsidy		1,500,000	1,500,000
		69,000,000	69,000,000
Loan Funds	" C "		
Secured Loans		58,761,330	47,069,915
Unsecured Loans		71,747,500	61,530,000
		130,508,830	108,599,915
TOTAL		199,508,830	177,599,915
APPLICATION OF FUNDS			
Fixed Assets	" D "		
Gross Block		99,026,606	79,074,091
Less: Depreciation		30,502,809	26,591,503
Net Block		68,523,797	52,482,588
Add: Capital Work in Progress		6,532,672	18,743,728
		75,056,469	71,226,315
Investments	" E "		487,982
			487,982
Current Assets, Loans & Advances	" F "		
Inventories		70,056,193	59,320,167
Sundry Debtors		44,997,954	26,508,321
Cash & Bank Balances		5,874,047	7,097,027
Loans & Advances		26,256,602	19,720,568
		147,184,795	112,646,083
Less:			
Current Liabilities & Provisions	" G "	39,283,290	24,874,412
Net Current Assets (F - G)		107,901,505	87,771,670
Miscellaneous Expenditure	" H "	16,062,874	18,113,949
TOTAL		199,508,830	177,599,915

SIGNIFICANT ACCOUNTING " R " (0)
POLICIES AND NOTES ON ACCOUNTS

As per our report of even date.

For KOTHARI JAIN & ASSOCIATES
Chartered Accountants
Firm Registration No. 113041 W

For & on behalf of the Board

SUNILKUMAR KOTHARI
PROPRIETOR
M. NO. 043842
Place : Mumbai
Date : 30.07.2011

SHARAT DEORAH SIDDHARTH DEORAH
Managing Director Director
Place : Mumbai
Date : 30.07.2011

ANNUAL REPORT 2010-2011

Profit and Loss Account for the year ended on 31st March, 2011

Particulars	SCH	AS AT 31.03.2011	AS AT 31.03.2010
INCOME			
Sales	" I "	216,439,259	120,796,080
Other income	" J "	4,574,562	785,485
Increase / (Decrease) in Stocks	" K "	7,292,198	10,319,546
		228,306,021	131,901,112
TOTAL INCOME	A		
EXPENDITURE:			
Purchases for Trading		3,416,900	3,742,350
Raw Material consumed	" L "	159,398,144	88,221,745
Manufacturing Exp.	" M "	25,926,287	14,894,099
Expenditure on Employees	" N "	14,046,409	9,532,946
Administrative Expenses	" O "	3,851,543	4,996,411
Selling & distribution Expenses	" P "	4,921,341	2,955,523
Interest Paid	" Q "	10,250,308	3,344,145
Depreciation	" D "	4,444,017	3,401,233
		226,254,946	131,088,451
TOTAL EXPENDITURE	B		
Profit / (Loss) Before Taxation (A - B)		2,051,075	812,661
Provision For Tax		-	-
For Current Tax		-	-
For Fringe Benefit Tax		-	-
For Deferred Tax		-	-
		2,051,075	812,661
Prior year Adjustments		-	-
Prior year Adjustments		-	-
Profit / (Loss) After Taxation		2,051,075	812,661
Loss Brought Forward from earlier years		(18,113,949)	(18,926,610)
Profit / (loss) Carried to Balance Sheet		(16,062,875)	(18,113,949)

Basic & Diluted Earning Per Shares of Rs.10 each 0.33 0.13

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

" R "

As per our report of even date.

For KOTHARI JAIN & ASSOCIATES
Chartered Accountants
Firm Registration No. 113041 W

For & on behalf of the Board.

SUNILKUMAR KOTHARI
PROPRIETOR
M. NO. 043842
Place : Mumbai
Date : 30.07.2011

SHARAT DEORAH SIDDHARTH DEORAH
Managing Director Director
Place : Mumbai
Date : 30.07.2011

AURO LABORATORIES LIMITED

SCHEDULES TO ACCOUNTS ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Particulars	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE "A"		
SHARE CAPITAL:		
AUTHORISED:		
70,00,000 (70,00,000) Equity Shares of Rs.10/- each.	70,000,000	70,000,000
ISSUED, SUBSCRIBED AND PAID UP :		
62,32,500 (62,32,500) Equity Shares of Rs.10/- each fully paid up for cash at par	62,325,000	62,325,000
	62,325,000	62,325,000
SCHEDULE "B"		
RESERVES & SURPLUS		
Capital Reserve		
State Cash Subsidy	1,500,000	1,500,000
Share Premium Account		
Share Premium Account	5,175,000	5,175,000
	6,675,000	6,675,000
SCHEDULE "C"		
SECURED LOANS:		
Allahabad bank O/D (First charge on the Stock, Spares, Book debts & personally guaranteed by some of the Directors and also secured by first charge on the immovable properties of the company.)	32,294,452	35,806,921
Allahabad bank - Packing Credit	11,593,639	6,075,189
Allahabad bank - Term Loan	5,402,547	5,187,805
Bills Payable - Allahabad Bank	5,428,118	-
Bills Payable Allahabad bank - Import Bill's buyers credit	4,042,574	-
	58,761,330	47,069,915
UNSECURED LOANS:		
Auro Impex Pvt.Ltd. (Interest accrued & due Rs. 4060647.17, P.Y. Rs.26,73,710.00)	50,320,000	46,100,000
Sharat Deorah	12,177,500	12,180,000
Siddhartha Deorah	3,250,000	3,250,000
Phalguni Enclave Pvt. Ltd. (Interest accrued & due Rs 72855.00)	6,000,000	-
	71,747,500	61,530,000

