



# Auro Laboratories Limited

314, T.V. Industrial Estate, S.K. Ahire Marg  
Worli, Mumbai – 400 030. India  
Tel. : + 91 22 6663 5456  
Fax : + 91 22 6663 5460  
Email : [auro@aurolabs.com](mailto:auro@aurolabs.com)  
Web : [www.aurolabs.com](http://www.aurolabs.com)  
Reg. Off / Mfg. Unit :  
K-56, M.I.D.C. Tarapur,  
Dist. Palghar, Maharashtra – 401506  
CIN No. L33125MH1989PLC051910

August 29, 2023

The Listing Department  
BSE Limited  
Phiroz Jeejeebhoy Towers  
Dalal Street, Mumbai - 400 001

**Scrip ID/Code : 530233**  
**Subject : Submission of electronic copy of the Annual Report for the Financial Year 2022-2023 including Notice of the 34th Annual General Meeting**  
**Ref : Regulation 34(1) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015**

Dear Sir / Madam,

In terms of the requirement of Regulation 34(1) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, please find enclosed the Annual Report of the Company for the Financial Year 2022-2023 along with the Notice of the 34th Annual General Meeting being sent to the members through electronic mode.

The said Annual Report containing the Notice is also uploaded on the Company's website at [www.aurolabs.com](http://www.aurolabs.com).

This is for your information and records.

Thanking you  
For, Auro Laboratories Limited

(Sharat Deorah)  
Chairman and Managing Director  
DIN: 00230784

Encl: A/a

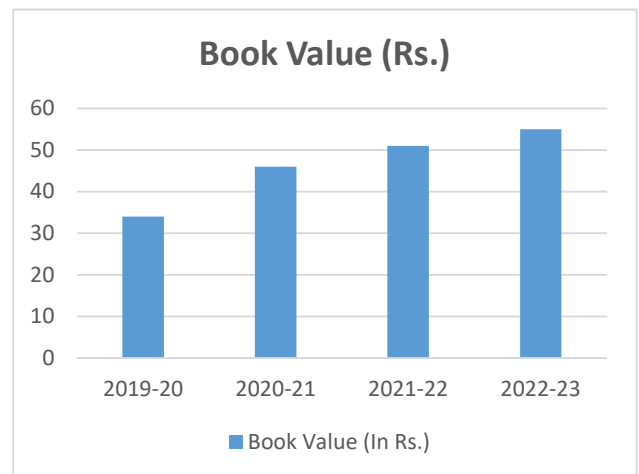
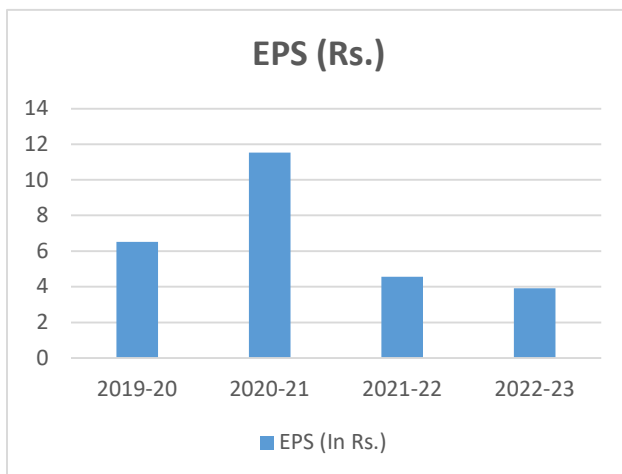
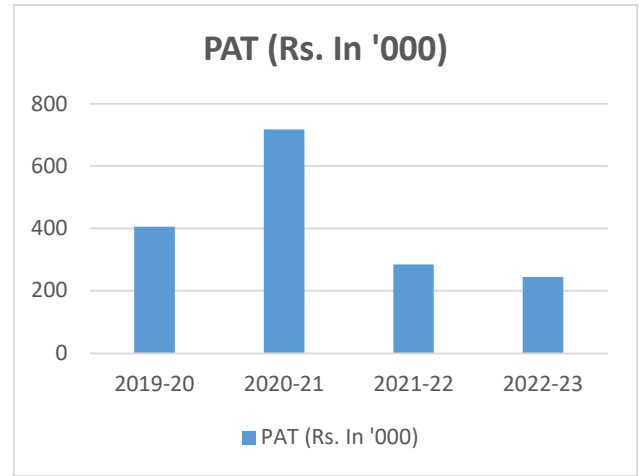
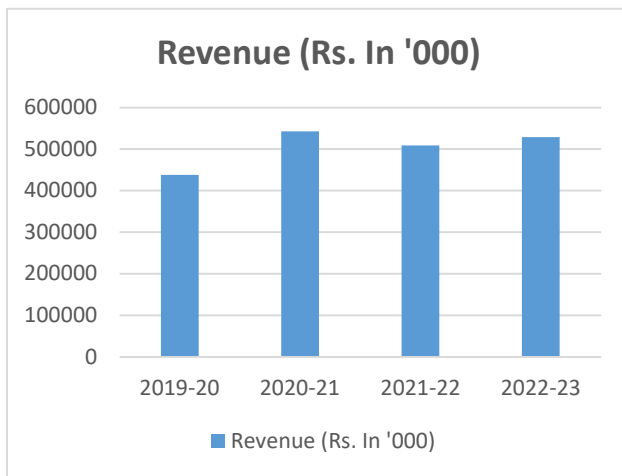
# ANNUAL REPORT 2022-2023





**API Products**  
**Metformin Hydrochloride**  
**Chlorzoxazone**  
**Chlorphenamine Maleate**

**Performance Indicators**



## Corporate Information

### Board of Directors:

**Mr. Sharat Deorah**

Chairman & Managing Director

**Mr. Siddhartha Deorah**

Whole Time Director

**Mr. Kiran Suresh Kulkarni**

Whole Time Director

**Ms. Kavita Vijayakant Sharma**

Independent Non-Executive Director

**Mr. Govardhan Das Agarwal**

Independent Non-Executive Director

**Mr. Kailash Chand Bubna**

Independent Non-Executive Director

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### Chief Financial Officer

**Mr. Amit Mahipat Shah**

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### Company Secretary & Compliance Officer:

**CS Sweta Agarwal**

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### Auditors:

**Statutory Auditors:**

**Khurdia Jain & Co.,**

Chartered Accountants

**Cost Auditors:**

**Poddar & Co.,**

Cost Accountants

**Secretarial Auditors:**

**GMJ & Associates,**

Company Secretaries

### Administrative Office:

314, 3<sup>rd</sup> Floor, T.V Industrial Estate,  
S.K. Ahire Marg, Worli, Mumbai – 400 030

Tel. No. 022-66635456

Fax No. 022-66635460

Email: auro@aurolabs.com

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### Registered Office &

### Factory Address:

K-56 MID C Tarapur Industrial Area,  
Thane, Dist. Palghar,  
Maharashtra- 401 506

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### CIN:

**L33125MH1989PLC051910**

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### Website:

[www.aurolabs.com](http://www.aurolabs.com)

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### Registrar & Share Transfer

### Agent:

**Purva Shareregistry (India) Private Limited**

Unit no.9 Shiv Shakti Industrial Estate ,  
J. R. Boricha Marg. Lower Parel (E),  
Mumbai, Maharashtra 400 011

**Tel:** 91-22-2301 2518 / 6761

Email: support@purvashare.com

Web: www.purvashare.com

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### Bankers

**Indian Bank**

Fort Branch, Mumbai

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### Listing of Equity Shares

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001  
(Scrip Code : 530233)

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# Auro Laboratories Limited

Reg.Off / Mfg.Unit : K-56, M.I.D.C. Tarapur, Dist. Palghar, Maharashtra – 401506  
Admin Office: 314, T.V. Industrial Estate, S.K. Ahire Marg, Worli, Mumbai – 400 030 India  
CIN No. L33125MH1989PLC051910  
Tel. : + 91 22 6663 5456 Fax : + 91 22 6663 5460  
Email : auro@aurolabs.com Web : www.aurolabs.com

## Notice of the 34th Annual General Meeting

**NOTICE** is hereby given that the **Thirty Fourth (34<sup>th</sup>) Annual General Meeting (AGM)** of the Members of **Auro Laboratories Limited** will be held on **Saturday, September 23, 2023 at 11.30 AM (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")** to transact, with or without modification(s) the following business:

### ORDINARY BUSINESS:

- 1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2023, together with the reports of the Board of Directors and the Auditors thereon**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** the Audited Financial Statements of the Company for the year ended March 31, 2023, together with the reports of the Board of Directors and the Auditors thereon be and is hereby received and adopted."

- 2. To appoint a director in place of Mr. Siddhartha Deorah (DIN: 00230796) who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of members of the Company, be and is hereby accorded to reappoint Mr. Siddhartha Deorah (DIN: 00230796) as a director, who is liable to retire by rotation."

- 3. To consider and approve the appointment of M/s. Kothari Jain & Associates, Chartered Accounts, (Firm Registration No. 113041W) as Statutory Auditors of the Company for a term of five years**

To consider and, if thought fit, pass the following resolution(s) as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or amendments or re-enactments thereof for the time being in force) M/s. Kothari Jain & Associates, Chartered Accounts, (Firm Registration No. 113041W) be and are hereby appointed as the Statutory Auditors of the Company for a period of 5(five) years to conduct the Statutory Audit from Financial Year 2023-2024 to Financial year 2027-2028 and to hold office from the conclusion of 34th Annual General Meeting till the conclusion of Annual General Meeting to be held for the financial year 2027-2028, on such remuneration & terms of engagement, as may be mutually agreed between the Board/ Audit Committee and the Auditors of the Company from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this resolution.”

**SPECIAL BUSINESS:**

**4. To appoint M/s. Kothari Jain & Associates, Chartered Accounts, (Firm Registration No. 113041W) as Statutory Auditors of the Company to fill-in casual vacancy arisen due to resignation of M/s Khurdia Jain & Co., Chartered Accountants, FRN: 120263W**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** subject to the provisions of Section 139(8) of the Companies Act read with the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, if any and pursuant to recommendation made by the Audit Committee and Board of Directors at its meeting held on July 31, 2023, M/s. Kothari Jain & Associates, Chartered Accounts, (Firm Registration No. 113041W), be and are hereby appointed as statutory auditors of the company to fill casual vacancy caused by resignation of M/s Khurdia Jain & Co., Chartered Accountants, FRN: 120263W, and they shall hold office until the conclusion of the 34th Annual General Meeting, on such terms of engagement including remuneration, as may be mutually agreed between the Board/ Audit Committee and the Auditors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this resolution.”

**5. To ratify the remuneration payable to M/s. Poddar & Co., Cost Auditors for the Financial Year 2023-2024:**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to the recommendation of the Audit Committee and Board of Directors, members of the Company hereby ratify and approve the remuneration of ₹60000/- (Rupees Sixty Thousand Only) plus applicable taxes and reimbursement of out-of-pocket expenses incurred in connection with the cost audit at actuals, if any, payable to M/s. Poddar & Co., Cost Accountants, Firm Registration Number: 101734, who have been appointed as Cost Auditors by the Board of Directors of the Company, to conduct cost audit of the cost records of the Company for the financial year ending FY 2023-2024.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this resolution.”

**6. To appoint Mr. Vishal Kailashchandra Jhunjunwala (DIN: 00359872) as a Non-Executive Independent Director of the Company**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Rules framed thereunder, and applicable

provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“the LODR Regulations”) [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], and Articles of Association of the Company, approval and recommendation of the Nomination and Remuneration Committee and that of the Board, Mr. Vishal Kailashchandra Jhunjhunwala (DIN: 00359872) who was appointed as an Additional Director in the capacity of Non-Executive Independent Director with effect from August 23, 2023, who meets the criteria for independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the LODR Regulations and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, be and is hereby appointed as a Non-Executive Independent Director of the Company for a period of 5 (five) years till August 22, 2028, and that he shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other Officer(s) / Authorized Representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**7. Re-Appointment of Mr. Kiran Suresh Kulkarni (DIN 09175595) as Whole-Time Director of the Company for a term of 3 years:**

To Consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, Schedule V of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and in accordance with Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements), 2015 (including any statutory modification (s) or re-enactment thereof for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee, consent of the members be and is hereby accorded for re-appointment of Mr. Kiran Suresh Kulkarni (DIN 09175595) as the Whole time Director of the Company for a period of 3 (Three) Years w.e.f. May 24, 2024, on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Kiran Suresh Kulkarni (DIN 09175595), subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any statutory modification or re-enactment thereof.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or any Committee thereof be and is hereby authorized to do all such acts, deeds and matters as in its absolute discretion it may think necessary, expedient and desirable, to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution.”

By order of the Board of Directors  
**For Auro Laboratories Limited**

(Sweta Agarwal)  
Company Secretary  
(Membership No.: F10753)

CIN No. L33125MH1989PLC051910  
Mumbai, August 23, 2023



**NOTES:**

1. Pursuant to the General Circular No. 10/2022 dated December 28, 2022, issued by the Ministry of Corporate Affairs (MCA) and Circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 issued by SEBI (hereinafter collectively referred to as “the Circulars”), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC. The registered office of the Company shall be deemed to be the venue for the AGM.
2. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (‘Act’) setting out material facts concerning the business under Item Nos. 4 to 7 set out above are annexed hereto. Further, the relevant details with respect to Item Nos. 3, 4, 6 & 7 pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM are also annexed.
3. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since the AGM is being held in accordance with the Circulars through VC, the facility for the appointment of proxies by the members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of AGM are not annexed to this Notice.
4. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. Institutional Members are encouraged to attend and vote at this AGM through VC/OAVM. Institutional/ Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC/ OAVM or to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Company at [agm@aurolabs.com](mailto:agm@aurolabs.com) or upload on the VC portal /e-voting portal.
6. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM, are requested to write well in advance to the Company at [agm@aurolabs.com](mailto:agm@aurolabs.com) and the same will be replied by the Company suitably.
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, and other relevant documents referred to in the Notice and in the Explanatory Statements will be available for inspection by the members in electronic mode. Members who wish to inspect the documents are requested to write to the company by sending e-mail at [agm@aurolabs.com](mailto:agm@aurolabs.com).
8. As per the provisions of Clause 3.A.III of the General Circular No. 20/ 2020 dated 5th May 2020 issued by MCA, the matters of Special Business as appearing at Item Nos. 4 to 7 of the accompanying Notice, are considered to be unavoidable by the Board and hence, forming part of this Notice.
9. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. shall be allowed to attend the meeting without restriction.
10. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, further extended by MCA General Circular no. 2/2022 dated May 05, 2022 and SEBI Circular

SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023, the Notice of the AGM along with the Annual Report 2022-23 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same.

Notice calling the AGM has also been uploaded on the website of the Company at [www.aurolabs.com](http://www.aurolabs.com). The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM i.e. [www.evotingindia.com](http://www.evotingindia.com)

Members who have not registered their email addresses are requested to register the same for receiving all communication from time to time including Annual Report, Notices, Circulars, etc. from the Company electronically.

- a. For Members holding shares in physical form, please send scanned copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self- attested copy of the PAN and any document (such as Driving License, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the RTA at: [agm@aurolabs.com](mailto:agm@aurolabs.com) or [support@purvashare.com](mailto:support@purvashare.com)
  - b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
11. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
12. The Company is not required to close Register of Members and Share Transfer Books for the purpose of AGM.

**13. Dematerialization:**

Shares held in dematerialized form have several advantages like immediate transfer of shares, faster settlement cycle, faster disbursement of non-cash corporate benefits like rights, etc., lower brokerage, ease in portfolio monitoring, etc. Besides risks associated with physical certificates such as fake certificates, bad deliveries, loss of certificates in transit, get eliminated. Since there are several benefits arising from dematerialization, we sincerely urge you to dematerialize your shares at the earliest, if you are still holding the shares in physical form.

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company’s website at [www.aurolabs.com](http://www.aurolabs.com) and on the website of the Company’s RTA, Purva Sharegistry (India) Private Limited at [www.purvashare.com](http://www.purvashare.com). It may be noted that any service request can be processed only after the folio is KYC Compliant.

14. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.

14.1. **For shares held in electronic form:** to their Depository Participants (DPs)

14.2. **For shares held in physical form:** to the Company/ Registrar and Transfer Agents (RTA) in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023. In the absence of any of the required documents in a folio, on or after October 1, 2023, the folio shall be frozen by the RTA. In view of the above, we urge the shareholders to submit the Investor Service Request form along with the supporting documents at the earliest.

15. 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.

**PURVA SHAREREGISTRY (INDIA) PRIVATE LIMITED**

**[Unit: Auro Laboratories Limited]**

Unit no. 9 Shiv Shakti Ind. Estt.

J. R. Boricha Marg, Lower Parel (E) Mumbai 400 011

Tel: 91-22-2301 2518 / 6761

Email: [support@purvashare.com](mailto:support@purvashare.com) Web: [www.purvashare.com](http://www.purvashare.com)

16. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the registrar, the details of such folios together with the share certificates and self-attested copies of PAN card of the holders for consolidating their holding in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.

17. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website [www.aurolabs.com](http://www.aurolabs.com). Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to our RTA in case the shares are held in physical form.

18. The Company's shares are listed on BSE Limited, Mumbai.

19. In all correspondence with the Company, members are requested to quote their Folio Number and in case their shares are held in demat form, they must quote their DP ID and Client ID Number.

20. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 24 & 25. The Company will also send communication relating to remote e-voting which inter alia would contain details about User ID and password along with a copy of this Notice to the members, separately.

21. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the

authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

22. The Company has appointed CS Mahesh Soni (FCS: 3706, COP: 2324) and failing him, CS Sonia Chettiar FCS: 12649 COP: 10130), of GMJ & Associates, Company Secretaries as the scrutinizer for conducting e-voting process in a fair and transparent manner.
23. The voting facility through electronic voting system shall be made available during the AGM and members attending the meeting through VC who have not cast their vote by remote e-voting shall be able to exercise their right during the meeting through electronic voting system. The process and manner for e-voting and process of joining meeting through video conferencing along with other details also forms part of the Notice.
- 24. THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

- a) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholder's/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- b) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.
- c) The voting period begins on **September 20, 2023 Start Time: 9:00 a.m. (IST)** and ends on **September 22, 2023 End Time: 5:00 p.m. (IST)**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 16, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- d) Members have the option to cast their vote on any of the resolutions using the remote e-voting facility, either during the period commencing from September 20, 2023 Start Time: 9:00 a.m. (IST) and ends on September 22, 2023 End Time: 5:00 p.m. (IST). or e-voting during the AGM. Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM.
- e) The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution again.

- f) The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- g) Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p><b>1) Existing Users who have opted for Easi / Easiest</b></p> <p>a. Visit URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon</p> <p>b. Select New System Myeasi.</p> <p>c. Login through their existing user id and password</p> <p>d. The User will see the e-Voting menu,</p> <p>e. Click on e-Voting Service Provider name to cast your vote.</p>
	<p><b>2) User not registered for Easi/Easiest</b></p> <p>a. Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>b. Proceed with completing the required details</p> <p>c. Follow the steps given in Point 1.</p>
	<p><b>3) Alternatively, by directly accessing e-Voting website of CDSL</b></p> <p>a. Visit <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>b. Provide your demat account number and PAN</p> <p>c. System will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account.</p> <p>After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL	<p><b>1) USER already registered for NSDL IDeAS facility</b></p> <p>a. Visit <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></p> <p>b. Click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section.</p> <p>c. On the new screen, enter your User ID and Password.</p> <p>d. After successful authentication, click on “Access to e-Voting” under e-Voting services</p> <p>e. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
	<p><b>2) User not registered for IDeAS e-Services</b></p> <p>a. To register click on <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></p> <p>b. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>c. Proceed with completing the required details</p> <p>d. Follow the steps given in Point 1.</p>

	<p>3) Alternatively, by directly accessing <b>e-Voting website of NSDL</b></p> <ol style="list-style-type: none"> <li>Open URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a></li> <li>Click on icon "Login" which is available under 'Shareholder/Member' section.</li> <li>A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen.</li> <li>After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name</li> <li>On successful selection, you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	<ol style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</li> <li>Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Securities held with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Securities held with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at: 022 - 4886 7000 and 022 - 2499 7000

h) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- Click on "Shareholders" module.
- Now enter your User ID
  - For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- If you are a first-time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable

	for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- i) After entering these details appropriately, click on "SUBMIT" tab.
- j) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- k) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- l) Click on the EVSN for the relevant AURO LABORATORIES LIMITED on which you choose to vote.
- m) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- n) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- o) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- p) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- q) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- r) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- s) **Facility for Non – Individual Shareholders and Custodians –Remote Voting**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.



- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [agm@aurolabs.com](mailto:agm@aurolabs.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**25. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.



**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

**ANNEXURE TO THE NOTICE**

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, SECRETARIAL STANDARD-2 ON GENERAL MEETINGS AND REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**ITEM NO. 3:**

**Explanatory statement in respect of Item No. 3 is pursuant to Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) as amended from time to time, however, the same is strictly not required as per Section 102 of the Companies Act, 2013.**

The members of the Company at its 33<sup>rd</sup> Annual General Meeting (AGM) had appointed M/s Khurdia Jain & Co., Chartered Accountants, Firm, Regn. No. 120263W, as the Statutory Auditors of the Company for a period of 5(five) consecutive years, to hold office from the conclusion of the 33<sup>rd</sup> Annual General Meeting till the conclusion of the 38<sup>th</sup> Annual General Meeting. However, they had tendered their resignation as Statutory Auditors of the Company w.e.f. July 31, 2023 resulting into a casual vacancy in the office of the Statutory Auditor of the Company as envisaged under Section 139(8) of the Companies Act, 2013. The Explanatory Statement regarding appointment of Auditors in Casual Vacancy is given under heading Item No. 4 hereinafter.

After evaluating and considering various factors such as experience, efficiency in conduct of audit, size and audit team competency, independence etc. the Board of Directors of the Company, at their meeting held on July 31, 2023 on the recommendation of the Audit Committee, recommended the appointment of M/s Kothari Jain & Associates, Chartered Accountants, (FRN 113041W), Mumbai, as Statutory Auditors, pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 for a period of 5 consecutive years to hold office from the conclusion of 34<sup>th</sup> Annual General Meeting till the conclusion of 39<sup>th</sup> Annual General Meeting to be held for the year 2028.

M/s. Kothari Jain & Associates, Chartered Accountants, are registered with the Institute of Chartered Accountants of India and have confirmed that they are eligible for the proposed appointment under the Act, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder. M/s. Kothari Jain & Associates, Chartered Accountants, hold the ‘Peer Review’ certificate as issued by ‘ICAI’. As confirmed to Audit Committee, the Auditors have reported their independence from the Company according to the Code of Ethics issued by the Institute of Chartered Accountants of India (‘ICAI’) and the ethical requirements relevant to audit.

The Company has received eligibility certificate as required under Section 141 of Companies Act 2013 from M/s Kothari Jain & Associates, Chartered Accountants, (FRN 113041W) who have also conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

None of the other Directors and Key Managerial Personnel of the Company or their respective relatives is in any way, concerned or interested, financial or otherwise, in the said resolution except to the extent of their shareholding in the Company, if any.

Accordingly, the Board of Directors the resolution as set out in item No.3 for approval of the members as an Ordinary Resolution.

**Statement containing additional disclosure as required under Regulation 36(5) of the Listing Regulations**

Proposed fees payable to the statutory auditor	The Board of Directors has approved a remuneration of ₹200000.00 for conducting the audit for the financial year 2023-2024, excluding applicable taxes and reimbursement of out-of-pocket expenses on actuals. The remuneration proposed to be paid to the Statutory Auditors during this term would be in line
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	with the remuneration paid to the outgoing auditors and shall be commensurate with the services to be rendered by them during the said tenure
Term of appointment	5(Years)
Material changes in the fee payable to new Statutory auditor	No major material change in the fee payable to such auditor from that paid to the outgoing auditor.
Basis of recommendation for appointment including the details in relation to and credentials of the Statutory auditor proposed to be appointed	The Audit Committee considered various parameters like experience of the Auditors, more specifically in the Company's operating segment, market standing of the firm, clientele served, technical knowledge etc., and found M/s. Kothari Jain & Associates to be best suited to handle the scale and complexity associated with the audit of the financial statements of the Company.  The recommendations made by the Audit Committee, and the Board of Directors of the Company, are in fulfilment of the eligible criteria as prescribed under the Companies Act, 2013 and the applicable rules made thereunder
Brief Profile of Statutory Auditor	M/s. Kothari Jain & Associates (FRN 113041W), a firm of Chartered Accountants, was established in the year 1992 by Mr. Sunil Kumar Kothari, a Fellow Chartered Accountant in active practice for more than 25 years.  The firm has a team of skilled and experienced personnel having in depth knowledge and experience in providing multitude of services consisting of Statutory Audits, Corporate Finance, tax Planning, due diligence, consultancy etc.

**ITEM NO.4**

Pursuant to Section 139(8) of the Companies Act, 2013 and due to the resignation of M/s Khurdia Jain & Co., Chartered Accountants, Firm, Regn. No. 120263W, as the Statutory Auditors of the Company, the Board was required to fill up the casual vacancy within 30 days, subject to the approval of members of the Company at a general meeting convened within 3 months of the recommendation of the Board and the said Auditor shall hold the office till the conclusion of the next annual general meeting.

The Board of Directors of the Company, on recommendation of the Audit Committee and in compliance of Section 139(8) of Companies Act, 2013 and rules there under, had in their meeting held on July 31, 2023 appointed M/s Kothari Jain & Associates, Chartered Accountants, (FRN 113041W), as Statutory Auditors of the Company to hold office with effect from August 1, 2023 till the conclusion of the 34th AGM and to fill the casual vacancy caused by the resignation of M/s Khurdia Jain & Co., Chartered Accountants, Firm Regn. No. 120263W, subject to the approval of members of the Company at the 34th AGM.

The Company has received eligibility certificate as required under Section 141 of Companies Act 2013 from M/s Kothari Jain & Associates, Chartered Accountants, (FRN 113041W) who have also conveyed their consent to be appointed as the Statutory Auditors of the Company in casual vacancy along with a confirmation that their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

None of the other Directors and Key Managerial Personnel of the Company or their respective relatives is in any way, concerned or interested, financial or otherwise, in the said resolution except to the extent of their shareholding in the Company, if any.

Accordingly, the Board of Directors recommends the passing of resolution as set out in item No.4 for approval of the members as an Ordinary Resolution.

**The statement containing additional disclosure as required under Regulation 36(5) of the Listing Regulations is detailed under Item No. 3 except the following:**

Term of appointment: To hold office till the conclusion of 34<sup>th</sup> Annual General Meeting

**ITEM NO 5:**

Upon the recommendation of the Audit Committee, the Board has approved the re-appointment of M/s. Poddar & Co., Cost Auditors to conduct the audit of the cost records maintained by the Company for the products manufactured at its Factory situated at K-56, MIDC Tarapur for the financial year ending March 31, 2024 at a remuneration of ₹ 60000/- (excluding Taxes plus out of pocket expenses at actual).

In accordance with the provisions of section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.5 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2024.

None of the other Directors and Key Managerial Personnel of the Company or their respective relatives is in any way, concerned or interested, financial or otherwise, in the said resolution except to the extent of their shareholding in the Company, if any.

The Board of Directors of your Company recommends the passing of resolution as set out at Item No.5 as an Ordinary Resolution.

**ITEM NO. 6**

Based on the recommendation by the Nomination and Remuneration Committee and pursuant to Section 161 of the Companies Act, 2013 (the "Act"), the Board of Directors in their meeting held on August 23, 2023 appointed Mr. Vishal Kailashchandra Jhunjunwala (DIN: 00359872), as an Additional Director (in the category of Non-Executive Independent Director) of the Company effective from August 23, 2023.

Mr. Vishal Kailashchandra Jhunjunwala (DIN: 00359872) qualifies to be appointed as an Independent Director for a term of up to 5 years. The Board noted that his skills, knowledge, and experience are aligned to the role and capabilities and that he is eligible for appointment as an Independent Director.

Mr. Vishal Kailashchandra Jhunjunwala (DIN: 00359872) has confirmed:

- i. his eligibility and criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations");
- ii. he is not disqualified or debarred from holding the office of director by virtue of any SEBI order or any other such authority;
- iii. he has undertaken registration in the Independent Director's data bank; and
- iv. he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence.

The Company has received all statutory disclosures / declarations from Mr. Vishal Kailashchandra Jhunjunwala, including

- i. Consent in writing to act as director in Form DIR-2, pursuant to Rule 8 of the Appointment Rules,
- ii. Intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act, and
- iii. A declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act

Further, a notice in writing under section 160 of the Act has been received by the Company from a Member signifying his intention to propose the appointment of Mr. Vishal Kailashchandra Jhunjunwala (DIN: 00359872), as a Non-Executive Independent Director of the Company.

In terms of Sections 149 and 152 read with Schedule IV and any other applicable provisions, if any, of the Act and rules made thereunder and SEBI LODR Regulations, it is proposed that Mr. Vishal Kailashchandra Jhunjhunwala (DIN: 00359872) be appointed as a Non-Executive Independent Director to hold office for a term of five years i.e., up to August 22, 2028.

His brief profile and other details have been provided in the annexure to this Notice.

Other than Mr. Vishal Kailashchandra Jhunjhunwala and his relatives, none of the other Directors and Key Managerial Personnel of the Company or their respective relatives is in any way, concerned or interested, financial or otherwise, in the said resolution except to the extent of their shareholding in the Company, if any.

The Board of Directors of your Company recommends the passing of resolution as set out at Item No.6 as a Special Resolution.

**ITEM NO. 7**

Mr. Kiran Suresh Kulkarni was appointed as a Whole Time Director of the Company at the 32nd Annual General Meeting of the Company held on August 31, 2021 for a term of 3 years i.e up to May 23, 2024. The Board of Directors of the Company ('the Board') at the meeting held on August 23, 2023, on the recommendation of the Nomination & Remuneration Committee, recommended for the approval of the Members, the re-appointment of Mr. Kiran Suresh Kulkarni as a Director and also as a Whole time Director of the Company effective from May 24, 2024.

Mr. Kiran Suresh Kulkarni satisfies all the conditions set out in Part- I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Disclosures pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India are provided in the Annexure which forms part of this Notice.

The terms of his appointment including remuneration, commission, perquisites etc. have been proposed by Nomination & Remuneration Committee and the Board, for approval of the Members at the ensuing Annual General Meeting. The details are as follows:

**Salary**

Not exceeding Rs. 30 Lakhs per annum with liberty to the Board of Directors (which shall include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and/ or remuneration as it may deem fit subject to aforesaid limits.

**Benefits, Perquisites and Allowance:**

- Gratuity payable at a rate of half month's salary for each completed year of service.
- Company's contribution towards Provident Fund as per Rules of the Company, but the same shall not exceed 25% of the salary, subject to the condition that the contribution to Provident Fund and Superannuation Fund to the extent that these, either singly or put together are not taxable under the Income Tax Act, 1961.
- Leave unavailed of will be allowed to be encashed at the end of the tenure as per Company's Rules.

**Commission:**

Such remuneration by way of commission, in addition to the above salary and perquisites, calculated with reference to net profits of the Company in a particular financial year, subject to the overall ceiling stipulated in Section 198 read with Schedule V of the Companies Act, 2013 as may be recommended by the Nomination & Remuneration Committee and approved by the Board.

**Statement as required under Section II of Part II of Schedule V to the Companies Act, 2013 giving details in respect of appointment /re-appointment of Mr. Kiran Kulkarni:**

**1) GENERAL INFORMATION:**

- i. Nature of Industry: Pharmaceutical
- ii. Date or expected date of commencement of commercial production: The Company commenced manufacturing activities of Active Pharmaceutical Ingredients (API's) since 1992.
- iii. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
- iv. Foreign Investments or collaborations, if any: Not Applicable
- v. Financial Performance based on given indicators:

(Rs. in '000)

S No.	Particulars	2022-2023	2021-2022	2021-2020	2019-2020
1	Revenue	5,28,942	5,08,658	5,42,518	4,47,632
2	Profit after tax	24,420	28,446	71,795	40,555

**2) Information about the appointee**

Details	Mr. Kiran Kulkarni
Background details	He has joined the Company w.e.f. May 24, 2021 and has an experience of more than 22 years in QC/QA department of API manufacturing companies.
Past remuneration	Rs. 21 Lakhs Per annum
Recognition or awards	Nil
Job profile and his suitability	Mr. Kiran Kulkarni looks after the quality control and general Management functions at the manufacturing facility of the Company.
Remuneration proposed	As per Notice & Explanatory Statement
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):	Considering the size of the Company, the industry benchmarks, experience of the appointee and the responsibilities to be shouldered by him, the proposed remuneration is commensurate with the remuneration paid to similar appointees in other companies
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:	Besides the proposed remuneration, Mr. Kiran Kulkarni does not have any pecuniary relationship with the Company.

**3) OTHER INFORMATION:**

- i. Reason of loss or inadequate profits: N.A
- ii. Steps taken or proposed to be taken for improvement: N.A.
- iii. Expected increase in productivity and profits in measurement terms: N.A.

**4) DISCLOSURES:**

Necessary disclosures shall be made in the Directors Report annually and Shareholders will be provided all the necessary information.

The resolution seeks the approval of the members as a Special Resolution in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the appointment of Mr. Kiran Kulkarni as the Whole time Director for a period of 3 years commencing w.e.f May 24, 2023.

Mr. Kiran Kulkarni is not related to any of the Directors/KMP of the Company, and Except Mr. Kiran Kulkarni and his relatives, none of the other Directors and Key Managerial Personnel of the Company or their respective relatives is in any way, concerned or interested, financial or otherwise, in the said resolution except to the extent of their shareholding in the Company, if any.

The Board of Directors of your Company recommends the passing of resolution as set out at Item No.7 as a Special Resolution.

**Explanation in regard to Item No. 2**

**Explanatory statement in respect of Item No. 2 is pursuant to Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) as amended from time to time, however, the same is strictly not required as per Section 102 of the Companies Act, 2013.**

Based on the terms of appointment, Mr. Siddhartha Deorah (DIN 00230796), Whole Time Director, whose office is liable to retire at the 34th AGM, being eligible, seeks reappointment. Based on performance evaluation and the recommendation of the Nomination and Remuneration Committee, the Board recommends his reappointment.

His brief profile also forms part of the Corporate Governance Report. Other details of Mr. Siddhartha Deorah (DIN 00230796), have been provided in the annexure to this Notice.

Mr. Sharat Deorah being closely related to Mr. Siddhartha Deorah as Father is deemed to be concerned and interested in the resolution at Item no.2. Except Mr. Sharat Deorah and Mr. Siddhartha Deorah and his relatives, none of the other Directors and Key Managerial Personnel of the Company or their respective relatives is in any way, concerned or interested, financial or otherwise, in the said resolution except to the extent of their shareholding in the Company, if any.

The Board recommends the resolution set forth in Item No. 2 subject to the approval of the Members at the 34th Annual General Meeting.

**ADDITIONAL INFORMATION ON DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT AT THE AGM AS PER ITEM NO. 2, 6 & 7 OF THE NOTICE OF THE 34th ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 READ WITH CLAUSE 1.2.5 OF SECRETARIAL STANDARD-2 ON GENERAL MEETINGS**

The Directors have furnished the requisite consents / declarations for their appointment/re-appointment.

<b>Particulars</b>	<b>Mr. Siddhartha Deorah</b>	<b>Mr. Vishal Kailashchandra Jhunjunwala</b>	<b>Mr. Kiran Suresh Kulkarni</b>
Directors Identification Number (DIN)	00230796	00359872	09175595
Designation	Whole Time Director	Non-Executive Independent Director	Whole Time Director
Date of Birth & Age	September 21, 1978 45 Years	July 29, 1978 45 Years	June 09, 1971 52 years
Qualification	Mr. Siddhartha Deorah is a Management Graduate from Boston University, USA. After gaining experience in the	Vishal K. Jhunjunwala is a Commerce Graduate (B. Com) from Mumbai University. After completing graduation, he received scholarship for	M.Sc. (Organic Chem) from North Maharashtra University, Jalgaon in 1994. B.Sc. (Chemistry) from Poona University in 1992.

	business, he went on to complete his MBA from City University, London.	education in Japan and studied Japanese language and Business management in Japan at OFIX.	
Nationality	Indian	Indian	Indian
Brief resume & Nature of expertise in specific functional areas  Skills and capabilities required for the role and the manner in which the proposed person meets such requirements	<p>He is associated with the Company since August 1, 1999 and has an experience of over 17 years in Production &amp; Marketing. He brings a wide range of management techniques and knowledge, and under his guidance the Company has witnessed comprehensive growth in its operations.</p> <p>He looks after the Purchase and Sales aspects of the Company</p>	<p>He has an experience of working at JTC Corporation in Japan &amp; is proficient in Japanese language.</p> <p>He has 23 years of experience in the Rubber Industry &amp; wide experience in the fields of Hospitality &amp; Business Support Services.</p>	<p>He has an experience of more than 23 years in QC/QA department of API manufacturing companies. He looks after the quality control and general management functions at the manufacturing facility of the Company.</p>
Date of first Appointment	December 16, 2013	August 23, 2023	May 24, 2021
Terms and Conditions of Appointment/Re-appointment	In terms of Section 152 of the Companies Act, 2013, Mr. Siddhartha Deorah was appointed as Whole Time Director and is liable to retire by rotation.	As per the resolution in Item no. 6 of this Notice, read with the explanatory statement thereto.	As per the resolution in Item no. 7 of this Notice, read with the explanatory statement thereto.
Remuneration last Drawn	Rs. 37.50 Lakhs Per Annum	Not applicable	Rs.21 Lakhs Per Annum
Remuneration sought to be paid	Up to Rs. 120 Lakhs Per Annum	Sitting fees for attending Board Meeting	Up to Rs. 30 Lakhs Per Annum
Number of Meetings of the Board attended during the year	8 (Eight)	Not applicable	8 (Eight)
Disclosure of relationship between directors inter-se	Son of Mr. Sharat Deorah	Not applicable	Not applicable
Directorship in listed entities as on March 31, 2023	None other than Auro Laboratories Limited	None other than Auro Laboratories Limited	None other than Auro Laboratories Limited
Directorship in other Companies	<p>Auro Impex Private Limited</p> <p>Auro Realestates Private Limited</p> <p>Phalguni Enclave Private</p>	<p>JMF Performance Materials Private Limited</p> <p>Elastomix Private Limited</p> <p>Hirohama India Private Limited</p>	No such position held



	Limited	Kuurakku India Private Limited	
No. of Shares held in the Company	4,41,650 equity shares	NIL	10 equity shares
Membership & Chairmanships of Committees of the Board*	1. Audit Committee (Member) 2.Stakeholders Relationship Committee (Member)	1. Audit Committee (Member) 2.Stakeholders Relationship Committee (Member)	NIL
Information as required pursuant to Exchange Circular No. LIST/COMP/14/2018-19 Dated June 20, 2018 w.r.t. Enforcement of SEBI Orders Regarding Appointment of Directors by Listed Companies	He is not debarred from holding the Office of Director by virtue of any order of Securities and Exchange Board of India (SEBI) or any other such authority.	He is not debarred from holding the Office of Director by virtue of any order of Securities and Exchange Board of India (SEBI) or any other such authority.	He is not debarred from holding the Office of Director by virtue of any order of Securities and Exchange Board of India (SEBI) or any other such authority.
Names of Listed entities from which the person has resigned in the past 3 years	NIL	NIL	NIL

\*In terms of the provisions of Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Memberships/ Chairmanships in only two committees viz. Audit Committee and Stakeholders Relationship Committee (known by whichever name) are considered.

By order of the Board of Directors  
**For Auro Laboratories Limited**

CIN No. L33125MH1989PLC051910  
Mumbai, August 23, 2023

**Sweta Agarwal**  
Company Secretary  
(Membership No.: F10753)

## Board's Report

### Dear Members,

Your directors have great pleasure in presenting the 34th Annual Report together with the Audited Financial Statements of the Company for the financial year ended March 31, 2023.

## 1. RESULTS OF OUR OPERATIONS AND STATE OF AFFAIRS

### Financial Highlights

The audited financial statements of the Company as on March 31, 2023 are prepared in accordance with the relevant applicable IND AS and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and provisions of the Companies Act, 2013 ("Act").

[Amount in '000 except EPS]

Particulars	For the Year ended	
	March 31, 2023	March 31, 2022
<b>Revenue from operation</b>	<b>5,28,942</b>	5,08,658
Other Income	<b>9,413</b>	10,925
<b>Total Income</b>	<b>5,38,355</b>	<b>5,19,583</b>
Profit before Finance Cost, Depreciation, Tax	<b>53,340</b>	57,175
Less: Finance Cost	<b>8,142</b>	8,264
Less: Depreciation & Amortization expenses	<b>10,742</b>	10,172
<b>Profit Before Tax</b>	<b>34,457</b>	<b>38,739</b>
Provision for -- Current Tax	<b>10,008</b>	10,669
-- Deferred Tax	<b>28</b>	(376)
<b>Net Profit After Tax</b>	<b>24,420</b>	<b>28,446</b>
Other Comprehensive Income (Net of tax)	<b>3,526</b>	1,114
Total Comprehensive Income After Tax	<b>27,946</b>	29,560
Earning Per Share (Basic & Diluted)	<b>3.92</b>	4.56

### Notes:

The above figures are extracted from the audited standalone and consolidated financial statements of the Company as per the Indian Accounting Standards (Ind AS). Equity shares are at par value of Rs.10 per share.

### Overview of company's financial performance and state of affairs:

Gross revenue was Rs. 528942033, as against Rs. 508658006 in the previous year. Profit after tax declined to Rs. 24420105 against Profit of Rs. 28446807 in the previous year.

### Projects and expansion plans

Your Company presently has 1800 MTPA of Metformin HCL manufacturing capacity, with projects underway to expand the capacity to 3600 MTPA by the end of FY 2024. The demand for Metformin HCL is expected to increase in the near future owing to expected growth rate of over 10% worldwide in Type 2 Diabetes disease.

### **Dividend**

To consolidate the financial position of the Company, the Board does not propose any dividend for the year ended March 31, 2023.

### **Transfer to reserves**

As permitted under the provisions of the Companies Act, 2013, the Board does not propose to transfer any amount to general reserve.

### **Insurance**

All properties and insurable interests of the Company including building, plant and machinery and stocks have been fully insured.

### **Particulars of loans, guarantees or investments**

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the Notes to the financial statements provided in this Annual Report.

### **Particulars of contracts or arrangements made with related parties**

Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. All related party transactions are placed before the Audit Committee for review and approval.

No material related party transactions were entered during the Financial Year by your Company. Accordingly, no disclosure is made in respect of related party transactions, as required under Section 134(3)(h) of the Act in Form AOC-2. Members may refer to note no. 23(vii) of the financial statements which sets out related party disclosures pursuant to INDAS-24.

### **Material changes and commitments affecting financial position between the end of the financial year and date of the report**

There have been no material changes and commitments which affect the financial position of the Company that have occurred between the end of the financial year to which the financial statements relate and the date of this report.

### **Deposits**

Your Company has not accepted any deposits from the public within the meaning of Chapter V of the Act and as such, no amount of principal or interest was outstanding as on the balance sheet date.

### **Insolvency and Bankruptcy Code, 2016**

During the year under review, no application was made or any proceeding was pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

### **One time Settlement with Banks/Financial Institutions**

During the year under review, no one time settlement was done with any of the Banks or Financial Institutions.

#### Subsidiaries, joint ventures & associate

The Company does not have any subsidiaries, joint ventures & associate companies. The Company is also not a subsidiary of any other company.

#### Change in nature of business

There were no changes in the nature of business of the Company during the financial year.

## 2. CAPITAL STRUCTURE OF THE COMPANY

#### Authorized Share Capital

The Authorized Share Capital of the Company as at March 31, 2023 was Rs.7,00,00,000/- (Rupees Seven Crores only) divided into 70,00,000 (Seventy Lakhs) Equity shares of 10/- each.

#### Issued, Subscribed & Paid-up share Capital

The Paid up Equity share Capital, as at March 31, 2023 was Rs.6,23,25,000/- (Rupees Six Crores Twenty-Three Lakhs Twenty-Five Thousand only) divided into 62,32,500 (Sixty-Two Lakhs Thirty-Two Thousand Five Hundred) Equity shares, having face value of Rs.10/- each fully paid up. There was no change in the paid-up share capital of the Company during the FY 2022-23.

During the year under review, the Company has not issued any shares with differential voting rights nor granted any stock neither options nor sweat equity.

## 3. CORPORATE GOVERNANCE

#### Composition of Board of Directors

As on March 31, 2023 the Board of Directors consists of Six (6) members. Besides the Chairman & Managing Director, who is an Executive Director, the Board comprises of Two (2) *Executive Directors*, Three (3) *Independent Directors (including one Woman Director)* as on March 31, 2023. The composition of the Board is in conformity with the Companies Act, 2013 and Listing Regulations enjoining specified combination of Executive and Non-Executive Directors with at least one Women Independent Director and not less than fifty per cent of the Board comprising of Independent Directors.

In the opinion of the Board, all our Independent Directors possess requisite qualifications, experience, expertise and hold high standards of integrity for the purpose of Rule 8(5)(iii)(a) of the Companies (Accounts) Rules, 2014. List of key skills, expertise and core competencies of the Board, including the Independent Directors, forms part of the *corporate governance report* annexed to this report.

#### Changes during the year:

During the financial year under review, the following persons were appointed/re-appointed with the approval of the shareholders at the Annual General Meeting:

Name	Designation	Appointment/ Re-appointment	Effective date	Resolution passed by
<b>Mr. Sharat Deorah</b> (DIN: 00230784)	Chairman & Managing Director	Re-appointment	April 1, 2022	Shareholders at the 32 <sup>nd</sup>
<b>Mr. Siddhartha Deorah</b> (DIN: 00230796)	Whole Time Director	Re-appointment	April 1, 2022	AGM held on August 31,

				2021
<b>Mr. Kiran Suresh Kulkarni</b> (DIN: 09175595)	Whole Time Director	Re-appointment u/s 152(6)	July 20, 2022	Shareholders at the 33 <sup>rd</sup> AGM held on July 20, 2022

#### Retirement by Rotation

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Siddhartha Deorah, Whole Time Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment.

More details about the Directors are either given in the *Corporate Governance Report* and in the *Notice of the ensuing Annual General Meeting* being sent to the shareholders along with the Annual Report.

#### Changes in Board post closure of financial year

Post the closure of financial year, the following changes occurred in the Board of Directors of the Company:

- Mr. Govardhan Das Agarwal (DIN: 00545428) has tendered his resignation from the position of Independent Director of the Company with effect from the close of business hours on August 23, 2023.
- The Board of Directors, on recommendation of the Nomination and Remuneration Committee, in their meeting dated August 23, 2023 considered and approved appointment of Mr. Vishal Kailashchandra Jhunjhunwala (DIN: 00359872) as an additional Non-Executive Independent Director of the Company for a term of 5(five) years. Matter for his appointment shall be placed as agenda item in the notice of ensuing Annual General Meeting for approval of shareholders.

#### Key Managerial Personnel

As on March 31, 2023, the following persons were the Key Managerial Personnel of the Company in accordance with the provisions of Section 2(51) read with Section 203 of the Act:

Name of Personnel	Designation
Mr. Sharat Deorah	Chairman and Managing Director
Mr. Siddhartha Deorah	Whole-time Director
Mr. Amit Mahipat Shah	Chief Financial Officer
Mrs. Sweta Agarwal	Company Secretary

During the year, Ms. Shanu Nag ceased to be the Company Secretary w.e.f May 30, 2022 on account of her resignation and Ms. Sweta Agarwal was appointed as the Company Secretary w.e.f May 31, 2022.

#### Declaration of Independence by Independent Directors & adherence to the Company's Code of Conduct for Independent Directors

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1) (b) of the SEBI (LODR) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, the Independent

Directors, fulfill the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations.

All Independent Directors have affirmed compliance to the code of conduct for independent directors as prescribed in Schedule IV to the Companies Act, 2013.

#### **Directors' responsibility statement**

Pursuant to Section 134 (3) (c) of the Companies Act, 2013 the Directors confirm that:

- (a) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure, if any;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the annual accounts on a going concern basis;
- (e) The Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **Committees of the board**

The Board has the following Committees:

- a) Audit Committee
- b) Nomination & Remuneration Committee
- c) Stakeholders Relationship Committee and

The Board of Directors in their meeting held on May 30, 2022, resolved that in terms of the amended provisions of Section 135 (9) of the Companies Act, 2013, the CSR Committee be dissolved.

Further details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the *Corporate Governance Report*.

#### **Audit Committee Recommendations**

All recommendations of Audit Committee were approved by the Board of Directors during the year.

#### **Independent directors' meeting:**

Independent Directors met 1 (one) time during the year on February 13, 2023 and the meeting was attended by all Independent Directors. The disclosure under this heading forms part of the *Corporate Governance report*.

#### **Performance evaluation of the board, its committees and directors**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 the company has implemented a system of evaluating performance of the Board of Directors and of its Committees and individual directors on the basis of evaluation criteria suggested by the Nomination

and Remuneration Committee and the SEBI (LODR) Regulations, 2015. Accordingly, the Board has carried out an evaluation of its performance after taking into consideration various performance related aspects of the Board’s functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, remuneration, obligations and governance. The performance evaluation of the Board as a whole, Chairperson and Non-Independent Directors was also carried out by the Independent Directors in their meeting held on February 13, 2023.

Similarly, the performance of various committees, individual Independent and Non-Independent Directors was evaluated by the entire Board of Directors (excluding the Director being evaluated) on various parameters like engagement, analysis, decision making, communication and interest of stakeholders.

The Board of Directors expressed its satisfaction with the performance of the Board, its committees and individual directors.

**Familiarization program for independent directors**

All new independent directors inducted into the Board attend an orientation program. The details of the training and familiarization program are provided in the *corporate governance report*. Further, at the time of the appointment of an independent director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities.

In compliance with the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has formulated a policy to familiarize the Independent Directors with the Company and the details of Familiarization Program are provided in the *Corporate Governance Report* and also available at [http://www.aurolabs.com/contact/Familiarization\\_Programme/financial-year-2022-2023.pdf](http://www.aurolabs.com/contact/Familiarization_Programme/financial-year-2022-2023.pdf)

**Corporate Policies**

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, mandates the formulation of certain policies for all listed companies. The corporate governance policies are available on the Company’s website, at [www.aurolabs.com](http://www.aurolabs.com) under the head “Corporate Policies”. The policies are reviewed periodically by the Board and updated as needed. Key policies that have been adopted are as follows:

<b>Name of Policy</b>	<b>Brief Description</b>
Nomination and Remuneration Policy	The Company’s policy on remuneration of Directors, Key Managerial Personnel & Senior Employees and other matters provided in Section 178(3) of the Companies Act, 2013 has been disclosed in the <i>Corporate Governance Report</i> , which is a part of this report.
Performance evaluation Policy	The Nomination & Remuneration Committee pursuant to Section 178(2) of the Companies Act, 2013 has devised a policy on performance evaluation of the Board as a whole, Committee of the Board and Directors of the Company.
Board diversity	The Company recognizes and embraces the importance of a diverse board in its success. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors.
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.

	<p>In recognition thereof, the Board of Directors has implemented a Code of Conduct for adherence by the Directors (including Independent Directors), Senior Management Personnel and Employees of the Company. This will help in dealing with ethical issues and also foster a culture of accountability and integrity.</p> <p>All the Board Members and Senior Management Personnel have confirmed compliance with the Code.</p>
Insider Trading Regulations	Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the Company has formulated a Code of Conduct for Prevention of Insider Trading (“Insider Trading Code”), a Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information (“UPSI”) and a policy & procedure for enquiry in case of leak/suspected leak of Unpublished Price Sensitive Information (“UPSI”).
Related party transactions	This policy deals with the review and approval of related party transactions.
Vigil mechanism / whistle blower policy	The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and Employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairperson of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

### **Annual Return**

Pursuant to Section 92(3) and Section 134(3) (a) of the Companies Act, 2013, the Company has placed a copy of the Annual Return as at March 31, 2023 on its website at [www.aurolabs.com](http://www.aurolabs.com) at [http://www.aurolabs.com/contact/Corporate%20Announcements/Corporate%20Announcement 20 23-2024/draft-mgt7\\_for-fy-2022-23.pdf](http://www.aurolabs.com/contact/Corporate%20Announcements/Corporate%20Announcement%2023-2024/draft-mgt7_for-fy-2022-23.pdf)

### **Corporate Governance and Management Discussion & Analysis Reports**

The Company adheres to the requirements set out by the Securities and Exchange Board of India’s Corporate Governance practices and has implemented all the stipulations prescribed. The Company has implemented several best corporate governance practices.

The *Corporate Governance and Management Discussion & Analysis Report*, which form an integral part of this Report, are set out as “**Annexure C**” and “**Annexure B**”, respectively together with the Certificate from the Secretarial Auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in Listing Regulations.

### **Secretarial Standards**

The Company complies with all applicable secretarial standards issued by the Institute of Company Secretaries of India.

### **Listing**

The Company’s Shares are listed on BSE Limited, Mumbai. The Company has paid Listing Fees for the year 2023-2024.



### **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 (India) Limited (CDSL). As a result, the investors have an option to hold the shares of the Company in dematerialized form in either of the two Depositories. The Company has been allotted ISIN No. INE292C01011.

Shareholders 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.

### **Internal control systems and their adequacy**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined by the Audit Committee. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Managing Director.

The Internal Audit monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company.

Based on the report of internal auditor, the Company undertakes corrective action in their respective areas and thereby strengthens the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

### **Significant and material orders**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

## **4. AUDIT AND AUDITORS**

### **Statutory Auditor**

M/s. Khurdia Jain & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company at the 33<sup>rd</sup> Annual General Meeting ('AGM') held on July 20, 2022 for a period of 5 years, to hold office from the conclusion of the 33<sup>rd</sup> Annual General Meeting till the conclusion of the 38<sup>th</sup> Annual General Meeting. However, they had tendered their resignation as Statutory Auditors of the Company w.e.f. July 31, 2023 resulting into a casual vacancy in the office of the Statutory Auditor of the Company as envisaged under Section 139(8) of the Companies Act, 2013.

The Board has in compliance of Section 139(8) of Companies Act, 2013 and rules there under, filled casual vacancy for financial year 2023-24 caused due to resignation of M/s. Khurdia Jain & Co., Chartered Accountants from position of Statutory Auditors of the Company by appointing M/s. Kothari Jain & Associates, Chartered Accountants, (FRN 113041W), as Statutory Auditors of the Company and subject to approval of Shareholders at ensuing Annual General Meeting.

In pursuance to the recommendation received from Audit Committee of the Company, the Board has also recommended appointment of M/s. Kothari Jain & Associates, Chartered Accountants, (FRN

113041W) as Statutory Auditors of the Company for period of 5 years from conclusion of 34<sup>th</sup> Annual General Meeting till the conclusion of 39<sup>th</sup> Annual General Meeting.

M/s. Kothari Jain & Associates, Chartered Accountants, (FRN 113041W) have submitted their consent to act as the Statutory Auditors of the Company along with their eligibility letter confirming that they are eligible for such appointment and have not been disqualified in any manner from being appointed as Statutory Auditors and their appointment meets the requirement of Section 141 of the Companies Act, 2013. The remuneration payable to the Statutory Auditor shall be determined by the Board of Directors based on the recommendation of the Audit Committee.

The Board recommends their appointment to the shareholders and agenda items for approval of members shall be included in the notice of the 34<sup>th</sup> AGM of the Company.

#### **Report of the Statutory Auditor for the Financial Year 2022-2023:**

M/s. Khurdia Jain & Co., Chartered Accountants, have submitted their Report on the Financial Statements of the Company for the FY 2022-2023, which forms part of the Annual Report. There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in the Audit Reports issued by them which call for any explanation from the Board of Directors.

#### **Internal Auditor**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the Board, on recommendation of the Audit Committee has appointed M/s. Pokharna and Associates, as internal auditors of the Company for the financial year 2023-2024.

#### **Secretarial Auditor**

M/s GMJ & Associates, Company Secretaries, were appointed as Secretarial Auditors of the Company for the financial year 2022-2023 pursuant to section 204 of the Act. The Secretarial Audit Report submitted by them in the prescribed form MR- 3 is attached as '**Annexure A**' to this report.

In addition to Secretarial Audit Report, M/s GMJ & Associates, Company Secretaries has issued the Secretarial Compliance Report under Regulation 24A of SEBI LODR Regulations, 2015 for the financial year 2022-2023.

There were no qualifications or observations or adverse remarks or disclaimer of the Secretarial Auditors in the Report issued by them for the financial year 2022-2023 which call for any explanation from the Board of Directors.

In terms of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors, on the recommendation of the Audit Committee, have re-appointed M/s. GMJ & Associates, Company Secretaries as the Secretarial Auditors of the Company in relation to the financial year 2023-2024. The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed there under.

#### **Cost auditor:**

The Board of Directors, on the recommendation of the Audit Committee, has appointed M/s. Poddar & Co., Cost Accountants as the Cost Auditors of the Company for the Financial Year 2023-2024 at a

remuneration of Rs.60,000/- (Rupees Sixty Thousand Only) plus applicable taxes and out of pocket expenses.

Pursuant to Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Accounts) Rules, 2014, the remuneration payable for the year 2023-2024 to the Cost Auditors of the Company is subject to ratification by the shareholders at the ensuing Annual General Meeting. The remuneration to the Cost Auditors is commensurate with the size of the Company, work involved and scope of audit. Your directors recommend the same for approval by the Members at the ensuing Annual General meeting.

#### **Cost records and audit**

The Company has duly prepared and maintained the cost records of the business activities carried out by the Company during the financial year 2022-2023 as required pursuant to the provisions of section 148(1) of the Companies Act 2013 read with Companies (Cost Records and Audit) Rules 2014.

The Cost audit report for the financial year 2022-2023 has been filed with Central Government in the due course.

#### **Reporting of frauds by auditor and other matters under Section 143(12) of the Act**

During the year under review, the Statutory Auditors, Cost Auditors or Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under section 143(12) of the Act, including rules made there under.

## **5. HUMAN RESOURCE MANAGEMENT**

#### **Particulars of employees**

The information required under Section 197(12) of the Act read with Rule 5(1), 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including amendment thereto, is provided in the Annexure forming part of the Report. In terms of the second proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. The said information is available for inspection by the members at the registered office of the Company during working hours on working days up to the date of the Annual General Meeting and if any member is interested in obtaining a copy thereof, such member may write to the Company Secretary and Compliance Officer at [auro@aurolabs.com](mailto:auro@aurolabs.com).

#### **Prevention and prohibition of sexual harassment**

The Company has in place a Policy on prohibition, prevention and redressal of sexual harassment of women at workplace and matters connected therewith or incidental thereto covering all the aspects as contained under "The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013". A copy of the same is available on the website of your Company at <http://www.aurolabs.com/contact/Corporate Policies/Sexual%20harassment%20Policy.pdf>

During the year, there were no complaints received relating to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

An Internal Complaint Committee has been set up with majority women. Committee has a full access to the Board of Directors and during the year under review, there were no reported instances pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**Health, Safety & Environment**

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.

**6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3) (m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is given as under:

**Conservation of energy:**

1. the steps taken or impact on conservation of energy:

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 equipment's.

- 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.
- 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.

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

Particulars	March 31, 2023	March 31, 2022
<b>I. ELECTRICITY</b>		
a. Purchase Unit (in 000)	1779.63	1741.07
i. Total Amount (Rs. In 000)	17910.95	15411.94
ii. Rate / Unit (Rs.)	10.06	8.85
b. Own generation	NIL	NIL
(Through diesel Generator)		
<b>II. LIGHT DIESEL OIL LDO/ FURNACE OIL / BRIQUETTE</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>(For Production) Quantity (Ltr./kg. In 000)</b>		
a. LDO Litre	7.64	5.00

b. FURNACE OIL Litre	47.76	40.08
c. BRIQUETTES KG	2,325.23	2,201.62
<b>Total Amount (Rs. In 000)</b>		
a. LDO	717.24	480.00
b. FURNACE OIL	3085.94	1,699.80
c. BRIQUETTES	23137.76	17,597.37
<b>Average rate per Litre/KG (Rs.)</b>		
a. LDO Litre	93.88	96.00
b. FURNACE OIL Litre	64.61	42.41
c. BRIQUETTES KG	9.95	7.99
<b>III. CONSUMPTION PER KG. OF PRODUCTION</b>		
a. Products (Kg.)	12,24,321	12,42,051
b. Electricity (Rs.)	14.63	12.41
c. Diesel / FO / Briquette (Rs.)	22.00	16.16

- c) The steps taken by the Company for utilising alternate sources of energy: Not Applicable  
 d) The capital investment on energy conservation equipment's: Not Applicable

### Technology absorption

Technology absorption, adaptation and innovation: **Not Applicable**

- i. the efforts made towards technology absorption during the year under review are:
- ii. the benefits derived like product improvement, cost reduction, product development or import substitution:
- iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):
  - a. the details of technology imported,
  - b. the Year of import
  - c. whether the technology been fully absorbed;
- iv. During the year Company has incurred R&D Expenditure

### Foreign exchange earnings and outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

Particulars	(Rs. In '000)	
	March 31, 2023	March 31, 2022
Foreign Exchange outgo		
-CIF Value of Import:	250150.15	197560.76
-Foreign travelling expenses:	2742.97	11.42
Foreign Exchange earned		
-FOB/CIF / CNF Value of export:	387859.26	371795.70

### Business Responsibility Reporting

The Business Responsibility Reporting as required by Regulation 34(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is not applicable to the Company for the financial year ending March 31, 2023.

## **7. RISK MANAGEMENT**

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner; your Company periodically assesses risks in the internal and external environment, along with the cost of treating risks and incorporates risk treatment plans in the strategy, business and operational plans.

The Company has in place a Risk Management Policy (a) to ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management. (b) to establish a framework for the company's risk management process and to ensure its implementation. (c) to enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices (d) to assure business growth with financial stability. A copy of the same is available on the website of your Company at [http://www.aurolabs.com/contact/Corporate Policies/Risk%20Management%20Policy.pdf](http://www.aurolabs.com/contact/Corporate_Policies/Risk%20Management%20Policy.pdf). There are no risks which threaten the existence of the Company.

## **8. QUALITY MANAGEMENT CERTIFICATION**

The Company has also obtained various GMP Certifications.

### **APPRECIATION**

Your directors would like to express their sincere appreciation to the company's Shareholders, Vendors including Banks, Government authorities, other business associates, who have extended their valuable sustained support and encouragement during the year under review. Your Directors also wish to place on record their appreciation for the hard work, solidarity, cooperation and support of employees at all levels.

For and on behalf of the Board of Directors  
**Auro Laboratories Limited**

CIN No. L33125MH1989PLC051910  
Mumbai, August 23, 2023

(Sharat Deorah)  
Chairman and Managing Director  
DIN: 00230784

#### **Annexures:**

- A. Secretarial Audit Report
  - a. Letter
- B. Management Discussion and Analysis
- C. Report On Corporate Governance
  - a. Declaration of Compliance with the Code of Conduct
  - b. PCS certificate for non-disqualification of Directors
  - c. CEO / CFO Certification
  - d. PCS Certificate on Corporate Governance

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**ANNEXURE 'A' TO THE REPORT OF BOARD OF DIRECTORS  
FORM NO. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023**

Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,  
The Members,  
**AURO LABORATORIES LIMITED**  
K-56, MIDC, Industrial Area,  
Tarapur, Boisar, Dist. Palghar,  
(Thane) – 401 506.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AURO LABORATORIES LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2023** complied with the statutory provisions of the applicable Acts listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **AURO LABORATORIES LIMITED** for the financial year ended on **March 31, 2023** according to the provisions of:

- i. The Companies Act, 2013 ("the Act") and the rules made thereunder;
- ii. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the review period);
- iii. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- iv. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
  - (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (d) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the Company during the review period)

- (e) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the review period)
  - (f) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the review period)
  - (g) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the review period)
  - (h) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (Not applicable to the Company during the review period)
- vi. We have also examined compliance with the applicable clauses of the following:
- a) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.
  - b) The Listing Agreements entered into by the Company with BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, the Company is engaged in manufacturing activities of Active Pharmaceuticals Ingredients (APIs). The specific industry related acts applicable to the Company are as under:

- Drug and Cosmetics Act, 1940 and Drug and Cosmetics Rules, 1945;
- Indian Boilers Act, 1923;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

We report having regard to the compliance system prevailing in the Company and as per explanations and management representations obtained and relied upon by us the Company has adequate systems and processes commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines etc.

We further report that the Compliance by the Company of applicable financial laws, like direct, indirect tax laws and Goods and Service Tax Act, has not been reviewed in this Audit since the same has been subject to review by statutory auditor and other designated professionals.

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.
1. That there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
3. Adequate notice is given to all directors to schedule the Board Meetings, Board Committee Meetings, agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of Minutes.



We further report that during the audit period, no events/actions occurred which had a major bearing on the Company's affair in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

As informed, the Company has responded appropriately to notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

For **GMJ & ASSOCIATES**  
**Company Secretaries**  
ICSI Unique Code P2011MH023200

**[CS SONIA CHETTIAR]**  
**PARTNER**

**Membership No.:** F12649

**Certificate of Practice No.:** 10130

**UDIN:** F012649E000848726

**Peer Review Certificate No.:** 647/2019

**Place:** Mumbai

**Date:** August 23, 2023

**Note:** This report is to be read with our letter of even date which is annexed as '**ANNEXURE A**' and forms an integral part of this report.

**ANNEXURE A**

**To,**  
**The Members,**  
**AURO LABORATORIES LIMITED**  
K-56, MIDC, Industrial Area,  
Tarapur, Boisar, Dist. Palghar,  
(Thane) – 401 506.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **GMJ & ASSOCIATES**  
**Company Secretaries**  
ICSI Unique Code P2011MH023200

**[CS SONIA CHETTIAR]**  
**PARTNER**  
**Membership No.:** F12649  
**Certificate of Practice No.:** 10130  
**UDIN:** F012649E000848726  
**Peer Review Certificate No.:** 647/2019

**Place:** Mumbai  
**Date:** August 23, 2023

## ANNEXURE “B” TO DIRECTORS’ REPORT

### Management Discussion and Analysis

#### A. INDUSTRY STRUCTURE AND DEVELOPMENTS

##### **Global Pharma Industry Review:**

The world pharmaceutical industry is one of the top performing industries globally. New medications are constantly being developed, approved and marketed, resulting in significant market growth. Other market growth drivers include the aging population, as seniors use more medicines per capita and there is a rise in the prevalence and treatment of chronic diseases.

Revenue in the Pharmaceuticals market is projected to reach US\$1,163.00bn in 2023 and an annual growth rate (CAGR 2023-2027) of 5.39%, resulting in a market volume of US\$1,435.00bn by 2027. <https://www.statista.com/outlook/hmo/pharmaceuticals/worldwide>

##### **Indian Pharma Industry Review:**

The Indian pharmaceutical industry ranks third globally in pharmaceutical production by volume and is known for its generic medicines and low-cost vaccines. India is one of the biggest suppliers of low-cost vaccines in the world. Major segments of Indian Pharmaceutical Industry include generic drugs, OTC medicines, bulk drugs, vaccines, contract research & manufacturing, biosimilars and biologics. Because of the low price and high quality, Indian medicines are preferred worldwide, making it “pharmacy of the world”.

The Pharma sector currently contributes to around 1.72% of the country’s GDP. The Indian pharma industry has grown at a compounded annual growth rate of 9.43% since the past nine years. According to the Indian Economic Survey 2021, the domestic market is expected to grow 3x in the next decade. The pharmaceutical industry in India is expected to reach \$65 billion by 2024 and to \$120-130 billion by 2030.

##### **Key Trends in the Pharma Industry**

- ✚ Changing Government and Regulatory Landscape- Tightening of policy and faster regulatory approvals are increasing competition, requiring companies to be right ‘first time’. With increased vigilance from regulators, a focus on quality assurance and control has become even more critical.
- ✚ Shifting Industry Dynamics- shift from “Make in India” to “Develop in India”, increased globalization, a focus on value addition versus pricing, and change from a competitive to collaborative mind-set
- ✚ Emergence of New Go-to-Market Models- managing multiple channels and consumers is becoming increasingly critical. The rising role of pharmacists vs. physicians, and patient empowerment are drivers.
- ✚ Digital: Backbone of Transformation- To remain competitive, companies need to demonstrate agility in responding to the changing relationship dynamics triggered by new digital players, and invest in data and analytics capabilities.

##### **Active pharmaceutical ingredient:**

Active pharmaceutical ingredient (API) is a part of any drug that produces its effects. These are known as Bulk Drugs. Some drugs, such as combination therapies, have multiple active ingredients

to treat different symptoms or act in different ways. They are produced using highly technological industrial processes, both during the R&D and the commercial production phase.

### **Global API Market**

The global active pharmaceutical ingredients market size was valued at USD 222.4 billion in 2022 and is expected to expand at a compound annual growth rate (CAGR) of 5.90% from 2023 to 2030. The growth can be attributed to the advancements in active pharmaceutical ingredient (API) manufacturing and the rising prevalence of chronic diseases, such as cardiovascular diseases and cancer. Favorable government policies for API production, along with changes in geopolitical situations, are boosting market growth. The API market is undergoing immense changes due to supply chain disruption by COVID-19. Countries such as India are being preferred over China for the export of API owing to geopolitical situations and the demand to reduce dependence on China for API products. Furthermore, governments of many countries have formulated plans and granted incentives to promote the production of API.

(<https://www.grandviewresearch.com/industry-analysis/active-pharmaceutical-ingredients-market>)

### **Indian API market**

The Indian active pharmaceutical ingredients (APIs) market stood at \$11.807 billion in financial year 2021 (FY2021) and is expected to grow at a compound annual growth rate (CAGR) of 12.24 percent during the forecast period (2021 to 2027).

The key factors boosting the growth of the active pharmaceutical ingredients market are the rising drug research, rapid technological advancements and development activities for drug manufacturing, the increasing importance of generics, and the increasing uptake of biopharmaceuticals. However, the unfavourable drug price control policies across various nations and high manufacturing costs are expected to hinder the market's growth.

### **Business Overview:**

Auro Laboratories Limited has been manufacturing and providing generic Active Pharmaceutical Ingredients (API) since its inception in 1992. Currently, the company is specializing in producing Anti Diabetics like Metformin HCL. It is the first-line treatment for type 2 diabetes.

The Company is headquartered in Mumbai and it has its manufacturing facility at Palghar in Maharashtra. The facility has all the required certifications from Indian authorities and European registration organization. The business has grown over the past many quarters and the results are indicative of the investments and planning done by the company over the past few years.

### **Anti Diabetics:**

Diabetes is a chronic disease that occurs when the body cannot effectively use the produced insulin or the pancreas does not produce sufficient insulin. Diabetes is of two types: type 1 and type 2. About 90% of people with diabetes have type 2 diabetes. According to government and private organizations operating in the diabetes industry, diabetes is considered one of the top fatal diseases. The rising prevalence of diabetes worldwide is expected to drive the global market growth by 2027.

Metformin hydrochloride is the raw material of finished product metformin hydrochloride drugs. That is the API metformin hydrochloride. Metformin Hydrochloride finished product is an oral antihyperglycemic drug used in the management of type 2-diabetes.

## **B. OPPORTUNITIES, THREATS, OUTLOOK, RISKS AND CONCERNS**

### **Opportunities:**

The India Oral Anti-Diabetic Drug Market size is expected to grow from USD 1,636.90 million in 2023 to USD 1,944.12 million by 2028, at a CAGR of 3.50% during the forecast period (2023-2028).

<https://www.mordorintelligence.com/industry-reports/india-oral-anti-diabetic-drug-market#:~:text=The%20India%20Oral%20Anti%2DDiabetic,by%20almost%2025%25%20in%20India.>

The global Metformin Hydrochloride market was valued at USD 257.5 million in 2023 and is anticipated to reach USD 342.3 million by 2030, witnessing a CAGR of 4.1% during the forecast period 2023-2030.

<https://www.marketwatch.com/press-release/2030-metformin-hydrochloride-market-size-share-2023-06-14#:~:text=The%20global%20Metformin%20Hydrochloride%20market%20was%20valued%20at%20USD%20257.5,the%20forecast%20period%202023%2D2030.>

In view of the same, the company is well placed to grow as the demand for the product grows coupled with the fact that this product is the fundamental product to control Type-2 Diabetes.

### **Threats & Concerns:**

There is significant competition from other Generic manufacturers both within India and foreign, however the markets and volumes are quite large. Further, the government's actions towards price controls on pharmaceutical products might affect the price of the products in the coming times. The ongoing geopolitical crises have led to supply chain disruptions and rising cost of raw materials. Your company is also prone to these near-term risks.

### **Strengths**

The company has an established customer base in India and in various foreign countries that will enable it to further enhance their growth.

### **Outlook:**

The outlook is positive for the company considering its product mix, market conditions and the expected increase in the demand of its Anti-Diabetic product. The focus is to operate with the highest Environment, Health and Safety standards, while improving efficiencies, unit costs and ensuring business continuity.

## **C. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company's defined organizational structure, documented policy guidelines and adequate internal controls ensure efficiency of operations, compliance with internal policies, applicable laws and regulations, protection of resources and assets and accurate reporting of financial transactions. The Company continuously upgrades these systems in line with best available practices.

## **D. KEY FINANCIAL RATIOS**

Ratio	Formula	FY 2023	FY 2022	Variance
<b>Debt-Equity Ratio (times)</b>	Total Borrowings/Shareholder's equity	0.19	0.44	-57.10%
<b>EBITDA %</b>	EBITDA/Revenue from operations	10.08%	11.24%	-10.29%
<b>Current Ratio (times)</b>	Current assets/ current liabilities	1.97	1.87	5.23%
<b>Return on Net</b>	Profit after Tax (excl. exceptional)/	7.14%	9.02%	-20.88%

<b>Worth (%)</b>	Shareholders equity			
<b>Debtors turnover ratio (days)</b>	Sale of products/ Average trade receivables	5	6	-23.92%
<b>Inventory turnover (times)</b>	Cost of Goods sold/ Average inventories	8.35	11.42	-26.88%
<b>Operating profit margin (%)</b>	Profit from Operations/Sale of Products	8.05%	9.24%	-12.85%
<b>Net profit Margin (%)</b>	Profit after Tax (excl. exceptional)/ Revenue from operations	4.62%	5.59%	-17.45%

**Reasons where Variance is More than 25%**

Inventory turnover ratio- Due to higher raw material stock

Debt equity ratio- Improved due to repayment of short-term loans

Return on Net worth-Decrease in ROE decline in operating margin. This was due to inability to pass on the increased raw material price to customers and due to high freight charges.

**E. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**

The Company is a single segment Company engaged in the business of Bulk Drugs. The Company's revenue from operations stands at Rs. 52,89,42,003 for the year ended March 31, 2023.

**F. FINANCIAL PERFORMANCE**

A detailed financial overview of the Company for the FY 2022-2023 is available in the first page of the Board's Report forming part of this Annual Report.

**G. HUMAN RESOURCES**

Human resources continue to be one of the critical assets of the organization. Attracting relevant talent remains the Company's key focus. It pays special attention to training, welfare and safety of its people, strengthening human capabilities.

**CAUTIONARY STATEMENT**

Management discussion and analysis report contains statements which are forward looking based on assumptions. Actual results may differ from those expressed or implied due to risk and uncertainties which have been detailed in this report. Several factors as listed in this report could make significant difference to the Company's operations. Investors, therefore, are requested to make their own independent judgments and seek professional advice before taking any investment decisions.

For and on behalf of the Board of Directors  
**Auro Laboratories Limited**

CIN: L33125MH1989PLC051910  
Mumbai, August 23, 2023

(Sharat Deorah)  
Chairman and Managing Director  
DIN: 00230784

## ANNEXURE “C” TO DIRECTORS’ REPORT

### Report on Corporate Governance

*Report on Corporate Governance pursuant to Schedule V (C) of the SEBI (LODR) Regulations, 2015 (the Listing Regulations) and forming Part of the Directors’ Report for the year ended March 31, 2023*

#### 1. Statement on Company’s Philosophy on Code of Governance

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 and fairness in all its transactions in the widest sense and meets its stakeholder’s aspirations and social expectations.

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 procurement, commercial and finance are forwarded ahead after approval of the Board.

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

#### 2. Board of Directors

##### 2.1. Composition of the Board

The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

As on March 31, 2023, the strength of the Board of Directors of your Company is Six (6) members. Besides the Chairman & Managing Director, who is an Executive Director, the Board comprises of Two (2) Executive Directors, Three (3) Independent Directors (including one Woman Director) as on March 31, 2023. The composition of the Board is in conformity with the Companies Act, 2013 and Listing Regulations enjoining specified combination of Executive and Non-Executive Directors with at least one Women Independent Director and not less than fifty per cent of the Board comprising of Independent Directors.

##### 2.2. Details of Composition and category of Board, shareholding and other Directorships/ Committee memberships, Meeting of the Board of Directors, Directors’ Attendance at the meeting of the Board and Annual General Meeting

Eight Board Meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on May 2, 2022, May 30, 2022, Jun 21, 2022, Aug 2, 2022, Sep 22, 2022, Nov 14, 2022, Dec 29, 2022 and Feb 13, 2023. The necessary quorum was present for all the meetings.

The names and categories of the directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting (“AGM”), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships/Memberships held by them in other public limited companies as on March 31, 2023 are given herein below:

Name of Director	Category	Date of appointment	Attendance at the Board Meetings			Attendance at AGM held at July 20, 2022*	No. of #			
			Entitled to attend	Attended	% of attendance		Other Directorship		Other Committee	
							Public	Private	Member	Chairman
Mr. Sharat Deorah (DIN: 00230784)	Executive/ MD Chairperson related to Promoter	May 26, 1989	8	8	100	P	-	3	-	-
Mr. Siddhartha Deorah (DIN: 00230796)	Promoter/ Executive/ Whole Time Director	Dec 16, 2013	8	8	100	C	-	3	-	-
Mr. Govardhan Das Agarwal (DIN: 00545428)	Non-Executive Independent	Nov 19, 2013	8	7	88	P	1	1	-	-
Mr. Kailash Chanda Bubna (DIN: 01877773)	Non-Executive Independent	Nov 19, 2013	8	8	100	P	-	-	-	-
Mrs. Kavita Vijayakant Sharma (DIN: 07139910)	Non-Executive Independent	Mar 27, 2015	8	7	88	P	-	-	-	-
Mr. Kiran Suresh Kulkarni (DIN: 09175595)	Executive/ Whole Time Director	May 24, 2021	8	8	100	P	-	-	-	-

# For purpose of determination of committee position, Chairmanship and Membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of Listing Regulations.

\* C- Chairman of the meeting, P-Present, NA- Not applicable

As mandated by Regulation 26 of Listing Regulations, none of the Directors of the Company hold directorships in more than 7 Listed Companies. Further, none of the Director acts as a member of more than 10 committees or acts as a chairperson of more than 5 committees across all Listed Companies.

None of the Directors hold the position as Director or committee member/ chairman in any other listed Companies

### 2.3. Relationships between Directors inter-se

Mr. Sharat Deorah is related to Mr. Siddhartha Deorah as his father, with such inter-se relation between them. None of the other Directors except as aforementioned are related to each other.

### 2.4. Shareholding of held by non- executive directors:

As on March 31, 2023, Mr. Kailash Chand Bubna, Non-Executive Independent Director of the Company holds 1229 shares of the Company. Other than that, none of the non-executive Directors hold any share in the Company.

### 2.5. Familiarisation Programme for Independent Directors:

The Company has conducted familiarisation programs for Independent Directors during the year. The details for the same have been disclosed on the website of the Company at [http://www.aurolabs.com/contact/Familiarization\\_Programme/financial-year-2022-2023.pdf](http://www.aurolabs.com/contact/Familiarization_Programme/financial-year-2022-2023.pdf).



**2.6. Confirmation of Board for the independence of Independent Directors:**

In the Opinion of Board, the Independent Directors fulfil the conditions specified in the Listing Regulations and are independent of the Management.

**2.7. Independent director’s databank registration and online proficiency test**

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all directors have completed the registration with the Independent Directors Databank. Requisite disclosures have been received from the directors in this regard.

In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors are exempted from the requirement to undertake online proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs.

**2.8. Resignation of Independent Directors**

During the financial year under review, no independent Director resigned from the directorship of the Company.

**2.9. Availability of information to Board members:**

The Board has unrestricted access to all information with the Company. The Board meets at regular intervals to discuss and decide on various issues, including strategy related matters pertaining to the business of the Company. The tentative calendar of Board Meetings is circulated to the Directors in advance to facilitate them and to ensure their active participation at the Meetings of the Company.

Agenda papers containing all necessary information / documents are made available to the Board in advance to enable the Board to take informed decisions and to discharge its functions effectively. Where it is not practicable to attach the relevant information as a part of agenda papers, the same are tabled at the Meeting of the Board.

The information as specified in Regulation 17(7) of the Listing Regulations is regularly made available to the Board, whenever applicable, for discussion and consideration.

The Board has an effective post meeting follow up procedure. The Action taken on the decisions taken in a meeting is discussed at the immediately succeeding meeting for information of the Board. The Compliance report in respect of applicable laws is reviewed by the Board periodically.

The performance evaluation of the Independent Directors has been carried out by the entire Board of Directors to its satisfaction. In the above evaluation process the Directors, who were subjected to evaluation did not participate.

**2.10. Key skills/ expertise/ competence identified by the Board:**

<b>Planning</b>	Strategic decision making, risk management. Skilled and expertise in driving change, planning succession and long-term growth
<b>Technical</b>	Knowledge of the technicalities of the operations of the Company
<b>Finance/Accounting/ Taxation</b>	Knowledge on financial reporting, accounting principles, internal controls, auditing process and related considerations and issues
<b>Legal</b>	Aware of legal matters relevant to the industry
<b>Governance</b>	Experience as a Board Member and aware of corporate governance principles.

<b>Administration</b>	Expertise in administration of the affairs of the Company
<b>International/ Global Knowledge</b>	Awareness about relevant markets at global level and diversification of Company's business, global trends.
<b>Marketing/Publicity</b>	Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation

**2.11. Chart or matrix setting out skills/expertise/competence of the Board of Directors:**

Name of Director*	Core skills/ Experience/ Competence							
	Planning	Technical	Finance/ Accounts/ Taxation	Governance	Legal	Administration	International / Global Knowledge	Marketing/ publicity
Mr. Sharat Deorah (PD/CMD) (DIN: 00230784)	✓		✓	✓		✓	✓	✓
Mr. Siddhartha Deorah (PD/WTD) (DIN: 00230796)	✓	✓	✓	✓	✓	✓	✓	
Mr. Govardhan Das Agarwal (ID) (DIN: 00545428)			✓	✓	✓			✓
Mr. Kailash Chanda Bubna (ID) (DIN: 01877773)			✓	✓	✓			
Mrs. Kavita Vijayakant Sharma (ID) (DIN: 07139910)				✓				
Mr. Kiran Suresh Kulkarni (WTD) (DIN: 09175595)	✓	✓		✓		✓	✓	✓

\*PD – Promoter Director; CMD- Chairman & Managing Director, ID – Non-Executive Independent Director, WTD- Whole Time and Executive Director

**3. Governance of Board committees:**

To focus effectively on the issues and ensure expedient resolution of the diverse matters, the Board has constituted a set of Committees of 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 all Committees of the Board are placed before the Board for discussions / noting.

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

**3.1. Audit Committee:**

The Audit Committee of the Company constituted in accordance with the Regulation 18 of the Listing Regulations read with Section 177 of the Companies Act, 2013 comprises of 2 qualified Independent Directors and 1 Executive Director as member. All the members have financial and accounting knowledge.

The Committee acts as an interface between the Statutory and Internal Auditors, the Management and the Board of Directors of the Company. The Committee focuses 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 etc.

### 3.1.1. Extract of terms of reference:

Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act. The terms of reference of the Committee, inter alia, includes:

- a) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) Reviewing, with the management, the quarterly and financial statements and limited review/auditor's report thereon before submission to the board for approval
- e) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- f) Approval or any subsequent modification of transactions of the company with related parties;
- g) Scrutiny of inter-corporate loans and investments;
- h) Evaluation of internal financial controls and risk management systems;
- i) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

The detailed terms of reference of the Audit Committee is available on the website of the Company, at [http://www.aurolabs.com/contact/Corporate\\_Policies/terms-of-reference-of-audit-committee.pdf](http://www.aurolabs.com/contact/Corporate_Policies/terms-of-reference-of-audit-committee.pdf).

### 3.1.2. Composition and Meetings:

The Committee met 7 times during the year and the gap between the two meetings did not exceed one hundred and twenty days. The necessary quorum was present for all the meetings. The Chairperson of the Audit Committee attended the last AGM held during the year 2022-2023.

The Composition of the Audit Committee and details of meetings attended by its members are given below:

Name of the Members*	Status	Audit Committee Meetings Attended							No. of meeting	
		May 02, 2022	May 30, 2022	June 21, 2022	Aug 02, 2022	Sep 22, 2022	Nov 14, 2022	Feb 13, 2023	Entitled to Attend	Attended
Mr. Kailash Chanda Bubna (ID) (DIN: 01877773)	Chair person	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7	7
Mr. Govardhan Das Agarwal (ID) (DIN: 00545428)	Member	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7	7
Mr. Siddhartha Deorah (WTD) (DIN: 00230796)	Member	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7	7

\*Category- ID- Non-Executive independent Director, WTD- Whole Time Director

Head of the Finance and Accounts Department (CFO), representative of the Statutory Auditors and other executives as are considered necessary, attend meetings of the Audit Committee. The Company Secretary of the Company acts as the Secretary of the Audit Committee. Minutes of the Committee meetings are circulated to the Members and placed before Board for its noting.

**3.2. Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee constituted in accordance with the Regulation 19 of the Listing Regulations read with Section 178 of Companies Act, 2013 comprises of 3 Non-executive Independent Director as members. Mr. Kailash Chand Bubna, Chairperson of Nomination and Remuneration Committee was present at the last Annual General Meeting held on July 20, 2022.

**3.2.1. Terms of reference and policy**

The Nomination and Remuneration Committee is responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, ongoing succession planning and appointment procedures for both internal and external appointments.

The terms of reference of the Committee cover the matters specified for Nomination and Remuneration Committee under the SEBI Listing Regulations, 2015 and the Companies Act, 2013 and is contained in the Nomination and remuneration policy of the Company. The detailed Nomination & Remuneration policy is available on the website of the Company, at <http://www.aurolabs.com/contact/Corporate Policies/Remuneration%20Policy.pdf>.

**3.2.2. Composition & Meetings:**

The Committee met once during the year under review. The necessary quorum was present at the meeting. The Company Secretary acts as the Secretary of the Committee.

The Composition of the NRC and the details of meetings attended by its members are given below:

Name of the Members*	Status	NRC Meeting	No. of Meetings	
		May 30, 2022	Entitled to Attend	Attended
Mr. Kailash Chanda Bubna (ID) (DIN: 01877773)	Chairperson	Yes	1	1
Mr. Govardhan Das Agarwal (ID) (DIN: 00545428)	Member	Yes	1	1
Mrs. Kavita Vijayakant Sharma (ID) (DIN: 07139910)	Member	Yes	1	1

\*category- ID- Non-Executive independent Director

**3.2.3. Performance of Independent Directors was evaluated on the following criteria:**

- Participation at the Board / Committee meetings
- Commitment, Impact and influence
- Effective deployment of knowledge and expertise
- Effective management of relationship with stakeholders
- Integrity and maintaining of confidentiality
- Exercise of objective independent judgment in the best interest of Company
- Ability to contribute to and monitor corporate governance practice
- Adherence to the code of conduct for independent directors

The entire Board of Directors carried out the performance evaluation of the Independent Directors on various parameters like engagement, analysis, decision making, communication and interest of stakeholders. In the evaluation process the Directors, who were subjected to evaluation did not participate.

**3.3. Stakeholders Relationship Committee:**

The Stakeholders Relationship Committee constituted in accordance with the Regulation 20 of the Listing Regulations read with Section 178 of the Act., comprising of 3 Director as member (i.e.2

Non-executive Independent Director and 1 Executive Director). Mr. Kailash Chand Bubna, Chairperson of Stakeholders Relationship Committee was present at the last Annual General Meeting held on July, 20, 2022.

The Company Secretary of the Company acts as the Secretary of the Stakeholders Relationship Committee. As on March 31, 2023, Mrs. Sweta Agarwal, Company Secretary was the Compliance Officer of the Company. Minutes of the Committee meetings are circulated to the Members and placed before Board for its noting.

The Committee shall specifically look into the mechanism of redressal of grievances of shareholders & other security holders pertaining to transfer of shares, non-receipt of declared dividends, non-receipt of Annual Report, issues concerning de-materialization etc.

The Company has designated the e-mail ID [auro@aurolabs.com](mailto:auro@aurolabs.com) exclusively for the purpose of registering complaint by investors electronically. This e-mail ID is displayed on the Company's website i.e. [www.aurolabs.com](http://www.aurolabs.com)

### 3.3.1. Status Report of Investor Complaints for the year ended March 31, 2023

The following table shows the nature of complaints received from the shareholders during the year under review:

Nature of complaints	During the year 2022-2023	
	Complaints received	Complaints resolved
Non-receipt of physical shares for rejected demat	-	-
Others i.e. Non Receipt of S/C after Sub Division of Shares etc	1	1
<b>Total</b>	<b>1</b>	<b>1</b>

There were no complaints pending as on March 31, 2023.

### 3.3.2. Composition & Meetings:

The Committee met one during the year under review on Feb 13, 2023. The necessary quorum was present at the meeting. The Composition of the SRC and the details of meetings attended by its members are given below:

Name of the Members	Status	SRC Meeting	No. of Meetings	
		Feb 13, 2023	Entitled to Attend	Attended
Mr. Kailash Chanda Bubna (ID) (DIN: 01877773)	Chairperson	Yes	1	1
Mr. Govardhan Das Agarwal (ID) (DIN: 00545428)	Member	Yes	1	1
Mr. Siddhartha Deorah (WTD) (DIN: 00230796)	Member	Yes	1	1

\*Category- ID- Non-Executive independent Director, WTD- Whole Time Director

### 3.4. Corporate Social Responsibility Committee:

The Board of Directors in their meeting held on May 30, 2022, resolved that in terms of the amended provisions of Section 135 (9) of the Companies Act, 2013, the existing CSR Committee be dissolved and the powers and functions of the Committee shall be vested upon the Board of Directors of the Company. Prior to dissolution, the Committee consisted of three members, Mr. Kailash Chanda Bubna (ID)(DIN: 01877773), Mr. Govardhan Das Agarwal (ID) (DIN: 00545428) and Mr. Siddhartha Deorah (WTD) (DIN: 00230796).

Further, the Ministry of Corporate Affairs (MCA), vide a notification dated Sep 20, 2022 issued the Companies (CSR Policy) Amendment Rules, 2022 (CSR Policy Amendment Rules) which omitted the Rule 3(2) of the CSR Policy Rules. With the amendment, the Company was not required to contribute any amount towards CSR.

**4. Particulars of senior management including the changes therein since the close of the previous financial year.**

There were no changes therein during the financial year.

**5. Obligation and Separate Meeting of Independent Directors**

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of SEBI Listing Regulations, 1 (One) separate meeting of the Independent Directors was held during the year i.e. on Feb 13, 2023. In this meeting of the Independent Directors were without the attendance of Non-Independent Directors and members of management to:

- a) review the performance of non-independent directors and the board of directors as a whole;
- b) review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors;
- c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

Accordingly, the performance evaluation of the Chairperson and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

**6. Remuneration paid to Directors**

The Company pays remuneration to its Chairman & Managing Director and Whole-time Directors by way of Salary, perquisites, allowances, commission etc. Salary is paid within the range as approved by the Shareholders. The Board approves all the revisions in salary, perquisites, allowances and commission subject to the overall ceiling prescribed by Section 197 and 198 of the Act and Regulation 17(6)(e) of Listing Regulations. The Non-Executive Independent Directors have not been paid any remuneration except sitting fees during the financial year 2022-2023.

The details of remuneration paid to Directors during the financial year 2022-2023 are given below:

(Amount in Rs. '000)

<b>Name of Director*</b>	<b>Salary</b>	<b>Sitting fees</b>	<b>Commission</b>	<b>Total</b>
Mr. Sharat Deorah (P/CMD)	3750.00	-	-	3750.00
Mr. Siddhartha Deorah (P/WTD)	3750.00	-	-	3750.00
Mr. Govardhan Das Agarwal (ID)	-	10.50	-	10.50
Mr. Kailash Chanda Bubna (ID)	-	10.50	-	10.50
Mrs. Kavita Vijayakant Sharma (ID)	-	10.50	-	10.50
Mr. Kiran Suresh Kulkarni (WTD)	2100.00	-	-	2100.00

\*PD - Promoter Director, CMD- Chairman & Managing Director, ID - Non-Executive Independent Director, WTD- Whole Time and Executive Director

No single non-executive director is paid remuneration exceeding fifty percent of the total annual remuneration paid to all the non-executive directors during the financial year 2022-2023. The Company does not have any stock option plans and hence such instrument does not form part of the remuneration package payable to any Executive Director and / or Non-Executive Director. The

Company has not entered into any services contracts or pays any severance fees to the Directors. During the period under review, none of the directors were paid any performance linked incentive.

## 7. General Body Meetings

### 7.1. Details of date, time, venue of the meeting and special resolutions passed in the previous three Annual General Meetings:

Year ended	Date, Time and Venue of the meeting	Subject matter of special resolution
Mar 31, 2020	September 28, 2020 at 11am  AGM held through Video Conferencing/ Other Audio-Visual Means	No Special resolution was passed
Mar 31, 2021	August 31, 2021 at 11.30am  AGM held through Video Conferencing/ Other Audio-Visual Means	<ul style="list-style-type: none"> <li>i. Appointment of Mr. Kiran Kulkarni as the Whole time Director of the Company for a term of 3 years</li> <li>ii. Re-appointment of Mr. Sharat Deorah as Chairperson and Managing Director of the Company for a term of 3 years</li> <li>iii. Re-appointment of Mr. Siddhartha Deorah as Whole time Director of the Company for a term of 3 years</li> </ul>
Mar 31, 2022	July 20, 2022 at 12.30pm  AGM held through Video Conferencing/ Other Audio-Visual Means	<ul style="list-style-type: none"> <li>i. Amendment of the object clause of the Memorandum of Association of the Company to align with the Companies Act, 2013</li> <li>ii. Amendment to the liability clause of the Memorandum of Association of the Company to align with the Companies Act, 2013</li> <li>iii. Amendment to the Capital clause of the Memorandum of Association of the Company to align with the Companies Act, 2013</li> </ul>

### 7.2. During the Year, the Company has not carried out any postal ballot process.

### 7.3. There were No special resolutions proposed to be conducted through postal ballot.

## 8. Means of Communication

Quarterly results	The quarterly, half-yearly and annual financial results of the Company are submitted to BSE Limited electronically & published in newspapers and uploaded on the Company's website.
Newspapers wherein results normally published	Active Times & Mumbai Lakshdeep
Website, where displayed	<a href="http://www.aurolabs.com">www.aurolabs.com</a>
Official news releases	No official news release was made
Presentations made to institutional investors or to the analysts	No presentations made to institutional investors or analysts

9. General Shareholders Information

9.1. Corporate Information

Incorporation Date	May 26, 1989
Registered Office Address	K-56 MID C Tarapur Industrial Area, Thane, Maharashtra 401506
Corporate Identification Number (CIN)	L33125MH1989PLC051910
34 <sup>th</sup> Annual General Meeting	<p><b>Date and Time</b> Saturday, September 23, 2023 at 11.30 AM IST</p> <p><b>Mode</b> Video Conferencing/Other Audio-Visual Means facility</p> <p><b>Deemed Venue for Meeting:</b> Registered Office: K-56, MIDC Tarapur Industrial Area, Thane, Palghar, Maharashtra 401506)</p>
Financial year	April 1, 2022 to March 31, 2023
Dividend Payment Date	No dividend has been proposed
Name and Address of Stock Exchange	<p>The equity shares of the Company are listed on BSE Limited.</p> <p><b>BSE Limited</b> Phiroze Jeejeebhoy Towers, 1st Floor, Dalal Street, Fort, Mumbai – 400 001</p>
Stock Code	<p>Scrip Name: AURO LABORATORIES LTD</p> <p>Scrip Code: 530233</p>
Payment of Listing Fees	The Company has paid the annual listing fees for the relevant periods to BSE where its equity shares are listed.
ISIN	INE292C01011
Depository Connectivity	NSDL and CDSL
Registrar & Share Transfer Agent	<p><b>PURVA SHAREGISTRY (INDIA) PVT. LTD,</b> (UNIT: AURO LABORATORIES LTD.) Unit no. 9 Shiv Shakti Ind. Estate, J. R. Boricha Marg, Lower Parel (East), Mumbai, Maharashtra-400011. Tel: 022 - 23012518 / 6761 Email: <a href="mailto:support@purvashare.com">support@purvashare.com</a></p>
In Case securities are suspended from Trading	Not Applicable
Share Transfer System	<p>RTA of the Company does verify documents, process and effect transfer of shares, transfer request received at the office of the Company/RTA. In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.</p> <p>An annual certificate of compliance with the share/debt transfer formalities as required under Regulation 40(9) of the SEBI LODR Regulations is obtained from the Company Secretary in Practice and a copy of the certificate is filed with the Stock Exchanges within the prescribed time.</p>
Dematerialization of	As on March 31, 2023, 5485132 Equity Shares representing 88% of



shares	total equity shares were held in dematerialized form with NSDL and CDSL. The total shareholding of Promoters & Promoters Group is in held in dematerialised form in compliance with Regulation 31(2) of the Listing Regulations.
Plant Locations	K-56 MID C Tarapur Industrial Area, Thane, Palghar Maharashtra 401506 India
Address for correspondence	<b>The Company Secretary &amp; Compliance Officer</b> Auro Laboratories Limited 314, 3rd Floor, T.V. Industrial Estate, S.K. Ahire Marg, Worli, Mumbai – 400 030 E-mail: auro@aurolabs.com Telephone No.-022-66635456  <b>Registrar and Share Transfer Agents:</b> <b>PURVA SHAREGISTRY (INDIA) PVT. LTD,</b> (UNIT: AURO LABORATORIES LTD.) Unit no. 9 Shiv Shakti Ind. Estate, J. R. Boricha Marg, Lower Parel (East), Mumbai, Maharashtra-400011. Tel: 022 - 23012518 / 6761 Email: <a href="mailto:support@purvashare.com">support@purvashare.com</a>
Commodity price risk or foreign exchange risk and commodity hedging activities	The Company carries the normal foreign exchange risk and whenever it is thought appropriate foreign exchange risk is hedged by forward contract and currency options.

### 9.2. Calendar of financial year ended Mar 31, 2023

The financial year of the Company starts from April 1 of every year to March 31 of the next year. The meetings of Board of Directors for approval of quarterly financial results during the financial year ended Mar 31, 2023 were held on the following dates:

Financial Reporting for the Financial Year 2022-2023	Date of reporting
First Quarter Results	Aug 2, 2022
Second Quarter and Half yearly Results	Nov 14, 2022
Third Quarter Results	Feb 13, 2023
Fourth Quarter and Annual Results	May 16, 2023

### 9.3. Tentative Calendar for financial year ending Mar 31, 2024

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending Mar 31, 2024 are as follows:

Financial Reporting for the Financial Year 2023-2024	Date of reporting
First Quarter Results	On or before August 14, 2023
Second Quarter and Half yearly Results	On or before November 14, 2023
Third Quarter Results	On or before February 14, 2024
Fourth Quarter and Annual Results	On or before May 30, 2024

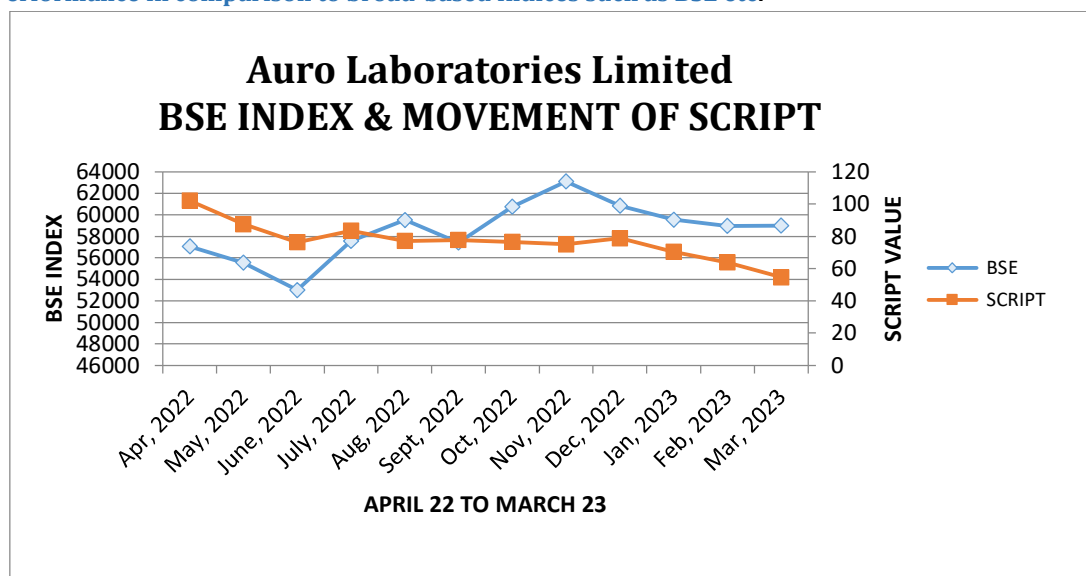
### 9.4. In case the securities are suspended from trading, the directors report shall explain the reason thereof- Not Applicable

**9.5. Share Price Data**

The monthly high and low prices and volumes of shares of the Company at BSE Limited (BSE) and for the year ended Mar 31, 2023 are as under:

Month	Total number of shares traded	Company's Shares			BSE Sensex Close (₹)
		High (₹)	Low (₹)	Close (₹)	
Apr 2022	124192	115.95	100.05	102.15	57,060.87
May 2022	91142	104.75	87.00	87.65	55,566.41
Jun 2022	81217	94.80	75.00	76.35	53,018.94
Jul 2022	82010	97.45	75.00	83.55	57,570.25
Aug 2022	108893	89.50	70.00	77.05	59,537.07
Sep 2022	171762	91.80	72.25	77.75	57,426.92
Oct 2022	54935	82.15	74.40	76.55	60,746.59
Nov 2022	83097	82.00	74.00	75.15	63,099.65
Dec 2022	249321	86.00	70.35	78.75	60,840.74
Jan 2023	64679	80.00	68.75	70.5	59,549.90
Feb 2023	79897	72.50	60.00	63.85	58,962.12
Mar 2023	96126	67.80	52.50	54.64	58,991.52

**9.6. Performance in comparison to broad-based indices such as BSE etc.**



**9.7. Distribution of Shareholding:**

Shareholding Pattern as on Mar 31, 2023:

Category	No. of shares held	% of shareholding
Promoters & Promoter Group	3246451	52.09%
Mutual Funds/UTI	400	0.01%
Financial Institutions/Banks	-	-
Bodies Corporate	52579	0.84%
Indian Public	2536920	40.70%
Clearing Members	1543	0.02%
NRI/FN	394607	6.34%
<b>Total</b>	<b>6232500</b>	<b>100.00%</b>

**Distribution of Shareholding as on March 31, 2023:**

No. of Equity Shares held	No. of Shareholders	No. of Shares held	% of shareholding
Upto -500	9994	1115909	17.90%
501-1000	538	444067	7.13%
1001-2000	210	321724	5.16%
2001-3000	68	170164	2.73%
3001-4000	26	94981	1.52%
4001-5000	18	85089	1.37%
5001-10000	32	215050	3.45%
10001- & above	20	3785516	60.74%
<b>Total</b>	<b>10906</b>	<b>6232500</b>	<b>100.00%</b>

**9.8. Liquidity:**

Average Monthly Trading of the Company's Shares on BSE

Particulars	BSE
Number of Trades	1847
Number of Shares	107273

**9.9. Outstanding GDR's / ADR's / Warrants or any Convertible instruments, conversion date and likely impact on equity:** Not Applicable

**9.10. List of all Credit rating obtained by the Company along with any revisions thereto during the financial year 2022-2023:**

Instrument	Type	Rating Agency	Feb 23, 2022	Jul 27, 2022
Fund Based Facilities	LT/ ST	Crisil Ratings Limited	CRISIL BBB-/Negative	CRISIL BBB-/Stable
Non-Fund Based Facilities	ST		CRISIL A3	CRISIL A3

**9.11. Other Policies Mandated Under Listing Regulations:** The following policies can be accessed from the Company's website - [www.aurolabs.com](http://www.aurolabs.com) under the head "Corporate Policies".

- **Archival Policy-** In Compliance with Regulation 30(8) of Listing Regulations, the Company shall disclose on its website all such events, information which has been disclosed to the Stock Exchange(s) under Regulations 30. Such disclosures shall be posted on website of the Company for minimum five years and thereafter determine further action as per the archival policy of the Company.
- **Policy on Board Diversity-** The Company recognizes and embraces the benefit of having a diverse Board of Directors and views increasing diversity at the Board level as an essential element in maintaining competitive advantage in the Business in which it operates.
- **Policy for Preservation of Documents-** In Compliance with Regulation 9 of Listing Regulations, the Board of Directors of the Company has adopted policy on preservation of Documents.
- **Policy for Determining Materiality of Events-** In Compliance with Regulations 30 of Listing Regulations, the Board of Directors has adopted a policy on Determining Materiality of Events or information. The objective of this policy is to ensure timely and adequate disclosure of events or information.

**10. Other Disclosures:**

- 10.1. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:** There have been no materially significant related party transactions, monetary transactions or relationships between the Company and its directors, the Management, or relatives. None of the transactions with any of the related parties were in conflict with the interests of the Company.
- 10.2. Web link where policy on dealing with related party transactions:**  
[http://www.aurolabs.com/contact/Corporate\\_Policies/related-party-policy.pdf](http://www.aurolabs.com/contact/Corporate_Policies/related-party-policy.pdf)
- 10.3. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years – None**
- 10.4. Details of establishment of vigil mechanism/ whistle blower policy, and affirmation that no personnel has been denied access to the audit committee:** Pursuant to Section 177(9) of the Act and Regulation 22 of the Listing Regulations the Company has adopted a Vigil Mechanism/Whistle Blower Policy. The Company believes in professionalism, transparency, integrity and ethical behaviour and had thus established a 'Whistle Blower Policy' to facilitate employees to report concerns of any unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. No person has been denied access to the Audit Committee.
- 10.5. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:** The Company has complied with all mandatory requirements of Listing Regulations and has implemented the following non mandatory requirements:
- The Board: Not Applicable since the Company has an Executive Chairperson
  - Shareholders Rights: Presently the Company is not sending half yearly communication.
  - Modified opinion(s) in the Audit Report: It is always the Company's endeavor to present unqualified financial statements. There are no audit modified opinions in the Company's financial statement for the year under review.
  - Separate posts of Chairperson and the Managing Director or the Chief Executive Officer – Currently, Mr. Sharat Deorah is the Chairman & Managing Director of the Company who is an Executive Director of the Company. Going forward, the Company will strive to have separate posts of Chairperson and the Managing Director.
  - Reporting of Internal Auditor: The Internal Auditor is directly reporting to Audit Committee
- 10.6. Web link where policy for determining 'material' subsidiaries is disclosed:** Not Applicable
- 10.7. Disclosure of commodity price risks and commodity hedging activities:** Market Driven
- 10.8. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):** The Company has not raised any fund through Preferential Allotment or Qualified Institutions Placement as specified under regulation 32 (7A) of the Listing Regulations, during the financial year ended March 31, 2023.
- 10.9. A certificate from GMJ & Associates company secretary in practice** have been obtained and certifying that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority. This Certificate is annexed to the Report.

- 10.10. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof:** Not Applicable
- 10.11. Total fees for all services paid by the Company, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:** The Statutory Auditors were paid Rs. 1,00,000/- towards statutory audit for the financial year 2022-23
- 10.12. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**
- number of complaints filed during the financial year- Nil
  - number of complaints disposed of during the financial year- Nil
  - number of complaints pending as on end of the financial year- Nil
- 10.13. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':** No such Loan/Guarantee provided/given during the financial year
- 10.14. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:** The Company does not have any subsidiary.
- 10.15. Terms and conditions of appointment/re-appointment of Independent Directors are available on the Company's website, at**  
<http://www.aurolabs.com/contact/Board of Directors and Committee/Terms%20of%20Appointment%20of%20Independent%20Directors.pdf>
- 11. Non-Compliance of any requirement of Corporate Governance Report of sub-paras (2) To (10) of para-C of Corporate Governance Report of Schedule V Annual Report of Listing Regulations:** NONE
- 12. Disclosure to the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted:**  
As per Details Given under the Heading "Other Disclosures".
- 13. Disclosures of the Compliance with Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b) to (I) of sub-regulation (2) of Regulation 46 shall be made in the Section on Corporate Governance of the Annual Report**  
The Company has complied with the Corporate Governance Requirements specified in Regulation 17 to 27 and in accordance with Regulation 46(2) of Listing Regulations, required information has been hosted on the Company's website [www.aurolabs.com](http://www.aurolabs.com)
- 14. Code of Conduct**  
The Company has adopted a Code of Conduct for the Directors, Senior Management Personnel and Employees 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 Chairperson to that effect is annexed to this Report.

**15. CEO / CFO Certification**

The Chairperson and Chief Financial Officer (CFO) have issued certificate as specified in Regulation 17(8) of Listing Regulations, for the financial year ended Mar 31, 2023. The Certificate is annexed to this Report.

**16. Practicing Company Secretaries Certificate on Corporate Governance**

The Company has obtained a Certificate from M/s. GMJ & Associates, Company Secretaries, Secretarial Auditors of the Company regarding compliance with the provisions relating to the corporate governance laid down in the Listing Regulations. This Certificate is annexed to the Report.

**17. Disclosures with respect to demat suspense account/ unclaimed suspense account**

The said disclosures are not applicable as the Company does not have any demat suspense account/ unclaimed suspense account.

**18. Disclosure of certain type of agreements binding the Company-** Not applicable

For and on behalf of the Board of Directors  
**Auro Laboratories Limited**

CIN: L33125MH1989PLC051910  
Mumbai, August 23, 2023

(Sharat Deorah)  
Chairman and Managing Director  
DIN: 00230784

**Annexures:**

1. Declaration of Compliance with the Code of Conduct
2. PCS certificate for non-disqualification of Directors
3. CEO / CFO Certification
4. PCS Certificate on Corporate Governance

## **Declaration of Compliance with the Code of Conduct**

I hereby confirm that:

The Company has obtained declaration from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended Mar 31, 2023.

On behalf of the Board of Directors  
**Auro Laboratories Limited**

CIN: L33125MH1989PLC051910  
Mumbai, August 23, 2023

**Sharat Deorah**  
Chairman and Managing Director  
DIN: 00230784

**Certificate of Non-Disqualification Of Directors**

*[Pursuant to Regulation 34(3) and clause (i) of Point (10) of Para C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

**To,****AURO LABORATORIES LIMITED**

K-56, MIDC, Industrial Area,  
Tarapur, Boisar, Dist. Palghar  
(Thane) – 401 506.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **AURO LABORATORIES LIMITED** having **CIN: L33125MH1989PLC051910** and having registered office at K-56, MIDC, Industrial Area, Tarapur, Boisar, Dist. Palghar (Thane) – 401 506 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para - C Sub-clause 10(i) of the SEBI (LODR) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers. We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr.No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Sharat Deorah	00230784	26/05/1989
2.	Mr. Siddhartha Deorah	00230796	16/12/2013
3.	Mr. Kiran S. Kulkarni	09175595	24/05/2021
4.	Mr. Govardhan Das Agarwal	00545428	19/11/2013
5.	Mr. Kailash Chand Bubna	01877773	19/11/2013
6.	Ms. Kavita Sharma	07139910	27/03/2015

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For GMJ & ASSOCIATES****Company Secretaries**

ICSI Unique Code P2011MH023200

**[CS SONIA CHETTIAR]****PARTNER****Membership No.: F12649****Certificate of Practice No.: 10130****UDIN: F012649E000848759****Peer Review Certificate No.: 647/2019****Place:** Mumbai**Date:** August 23, 2023



## Certificate by the CEO & CFO of the Company

The Board of Directors  
Auro Laboratories Limited  
K 56, MIDC, Tarapur, Dist. Palghar,  
Thane, Maharashtra, 401506.

We, Sharat Deorah, Chairman and Managing Director and Amit Mahipat Shah, Chief Financial Officer of the Company, to the best of our knowledge and belief, certify that:

1. We have reviewed the Balance Sheet as at March 31, 2023, Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information of the Company, and the Board's report for the year ended March 31, 2023.
2. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
3. The financial statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as at, and for, the periods presented in this report and are in compliance with existing accounting standards, applicable laws and regulations.
4. There are no transactions entered into by the Company during the year, which are fraudulent, illegal or violating the Company's code of conduct.
5. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
6. We have indicated to the auditors and the Audit Committee,
  - 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.

Mumbai, August 23, 2023

**(Sharat Deorah)**  
Chairman & Managing Director  
DIN: 00230784

**(Amit Shah)**  
Chief Financial Officer

**PRACTICING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
**AURO LABORATORIES LIMITED**  
K-56, MIDC, Industrial Area  
Tarapur, Boisar, Dist. Palghar  
(Thane) – 401 506.

We have examined the compliance of conditions of Corporate Governance by Auro Laboratories Limited, for the year ended on March 31, 2023, as stipulated in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 of the said Company with Stock Exchange.

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 SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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 **GMJ & ASSOCIATES**  
**Company Secretaries**  
ICSI Unique Code P2011MH023200

**[CS SONIA CHETTIAR]**  
**PARTNER**  
**Membership No.:** F12649  
**Certificate of Practice No.:** 10130  
**UDIN:** F012649E000848957  
**Peer Review Certificate No.:** 647/2019

**Place:** Mumbai  
**Date:** August 23, 2023

## INDEPENDENT AUDITOR'S REPORT

To  
The members of **AURO LABORATORIES LIMITED**

### Report on the Audit of IND-AS Financial Statements

#### Opinion

We have audited the accompanying IND-AS financial statements of **AURO LABORATORIES LIMITED** ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2023, the statement of profit and loss (Including Other Comprehensive Income), statement of changes in equity, statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the IND-AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

SNo.	Key Audit matters	Auditors' response
1	<b>Evaluation of tax position</b>	Obtained details of completed income tax assessment and demand till AY 2022-23 which are not significant and estimated provision has been made for the year ended 31 <sup>st</sup> March,2023
2	<b>Indirect tax Recoverability</b> As at 31 <sup>st</sup> March, 2023 short terms loans and advances includes Exports Incentive Rs. 25.35 lakhs, VAT credit Rs. 3.32 lakhs and GST credit Rs.416.04 lakhs. Refer Note no.8 to the financial statement	We have used our knowledge to gain and understanding in current status of recoverability to review the nature of amounts recoverable, the sustainability and the likelihood recoverability upon final resolution.
3	<b>Provisions and Contingencies</b> As at 31 <sup>st</sup> March 2023 a demand notice received from MPCB and TEPS amount of Rs. 1.92 Crore. Refer note no 23 (iv) to the financial statements.	The company has filed appeal in the Supreme court of India through (TIMA) and already deposited 30% of this amount.

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## **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the management discussion and analysis, Board of Director's Report including Annexure to Director's Report, Business responsibility report, corporate governance and shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed as records available to us and upon reading, if we conclude that there is material misstatement thereon, we are required and shall communicate the matter to those charged with governance. We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the IND-AS Financial Statements**

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 (IND-AS) of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

In preparing the IND-AS financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

That Board of Directors is also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the IND-AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the IND-AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these IND-AS financial statements.

## **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid IND-AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
  - g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197(16) of the Act.
  - h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure “A”** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**For Khurdia Jain & Co.**  
**Chartered Accountants**  
**Firm Regn. No. 120263W**

**CA Abhinav Khurdia**  
**Partner**  
**M.NO. 126358**  
**Place: Mumbai**  
**Date: 16<sup>th</sup> May, 2023**  
**UDIN: 23126358BGYQWB6680**

The **Annexure “A”** of the Independent Auditor’s Report to the Members of **AURO LABORATORIES LIMITED** on the financial statements for the year ended 31st March, 2023.

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company’s Property, Plant and Equipment and Intangible Assets:
  - a. The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
  - b. As explained to us, the fixed assets are being physically verified under a phased program of verification, which in our opinion, is reasonable and no material discrepancies have been noticed on such verification.
  - c. Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
  - d. The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) during the year.
  - e. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
  - a. Inventories have been physically verified during the year by management at reasonable intervals. 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. 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.
  - b. Company has been sanctioned working capital limits in excess of five crore rupees, from bank on the basis of security of current assets; we had verified statements filed by the company with such bank.

In our opinion and according to the information and quarterly monthly statements provided to us we find that in the month of March 2023 there is variation in stock as under.

<b>As per books of Account</b>	<b>As per statement submitted with Bank</b>
Raw Material Rs. 8,59,70,224	Raw Material Rs. 8,58,92,142
Packing Material Rs. 5,19,987	Packing Material Rs. 5,19,987
Work in Progress Rs. 46,79,650	Work in Progress Rs. 50,00,000
Finished Goods Rs.2,63,88,395	Finished Goods Rs.2,18,77,445

- iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and hence not commented upon.

- iv.** In our opinion and according to the information and explanations given to us, the Company has not given any loans, made investments and provided any guarantees and securities, hence provisions of Sections 185 and 186 of the Companies Act, 2013 does not apply to the Company and hence not commented upon.
- v.** In our opinion and according to the information and explanation given to us, the company has not accepted deposits from public within the meaning of section 73 and 76 of the Act and the rules framed there under to the extent notified.
- vi.** 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 Sub- Section (1) of section 148 of the Act, 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.
- vii.** Statutory Dues
- 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 Goods and Services tax (GST), 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, Cess and Goods and Services tax (GST).
- viii.** There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix.**
- a. 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, Government or dues to debenture holders.
- b. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c. In our opinion, according to the information and explanation given to us, the term loans were applied for the purpose for which the loans were obtained;
- d. In our opinion, according to the information and explanation given to us, the company has not utilised any fund raised for short term basis have been utilised for long term purposes.
- e. On an overall examination of the financial statements of the Company, the Company does not have any subsidiary nor the Company had taken any funds from any entity or person on account of or to meet the obligations of any subsidiaries and hence reporting on clause 3(ix)(e) of the Order is not applicable.
- f. The Company has not raised any loans during the year on pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x.**
- a. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

- xi.** In our opinion,
- a. 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.
  - b. No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
  - c. According to the information and explanation given to us, no whistle blower complaints were received by the Company during the year.
- xii.** The company is not a Nidhi / chit fund company hence our comment as required under clause 3(xii) of the order not given.
- xiii.** In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where ever applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv.**
- a. In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
  - b. We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv.** In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi.** In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable. In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii.** The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii.** There has been no resignation of the statutory auditors of the Company during the year.
- xix.** On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



- xx.** As per the information and explanation given to us, Corporate Social Responsibility norms (CSR) is not applicable under Sec 135 of Companies Act. Hence, reporting under clause 3(xx)(a) and (b) of the Order is not applicable.
- a. There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- b. There are no amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, that is required to be transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.
- xxi.** There is no Consolidate Financial Statements prepared. Hence, reporting under clause 3(xxi) of the Order is not applicable.

**For Khurdia Jain & Co.  
Chartered Accountants  
Firm Regn. No. 120263W**

**CA Abhinav Khurdia  
Partner  
M.NO. 126358  
Place: Mumbai  
Date: 16<sup>th</sup> May, 2023  
UDIN: 23126358BGYQWB6680**

**Annexure “B”** to the Independent Auditor’s Report to the Members of AURO LABORATORIES LIMITED on the financial statements for the year ended 31st March, 2023.

**Report on the Internal Financial Control under Clause (i) of Sub section 3 of section 143 of the companies Act 2013 (the Act)**

We have audited the internal financial control over financial reporting OF AURO LABORATORIES LIMITED (“the company”) as of 31<sup>st</sup> March 2023 in conjunction with our audit of the standalone financial statement of the company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial control based on the internal control over financial reporting criteria establish by the Company considering the essential components of the internal control stated in the guidance note on Audit of Internal financial control over financial reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company’s policies the safeguarding of its assets the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Companies Act 2013.

**Auditors’ Responsibility**

Our Responsibility is to express an opinion on the company’s Internal Financial control over financial reporting based on our audit. We conducted our audit in accordance with the guidance note on audit of Internal Financial control over financial reporting (the Guidance Note”) and the standards on auditing issued by ICAI and deemed to be prescribed under section 143 (10) of the companies act 2013 to the extent applicable to an audit of internal financial control both applicable to an audit of internal financial control and both issued by the institute of chartered accountant of India. That standard and the guidance note required that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial reporting was establish and maintained and if such controls operated effectively in all matters respect.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control systems over financial reporting and their operating effectiveness. Our audit of internal financial control over financial reporting included obtaining an understanding of internal financial control over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment including the assessment of risk of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my/our audit opinion on the company internal financial control systems over financial reporting.

**Meaning of Internal Financial controls over financial reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principal. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transaction and dispositions of the assets of the company; (2) provide reasonable assurance that transaction are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisitions, use or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitation of Internal Financial Control over financial reporting**

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projection of any evaluation of the internal financial control over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute Of Chartered Accountants Of India.

**For KHURDIA JAIN & Co.**  
**Chartered Accountants**  
**Firm Regn. No. 120263W**

**CA Abhinav Khurdia**  
**Partner**  
**M.NO. 126358**  
**Place: Mumbai**  
**Date: 16<sup>th</sup> May, 2023**  
**UDIN: 23126358BGYQWB6680**

### Balance Sheet as at March 31, 2023

Particulars	Amt Rs. In '000		
	Note	March 31, 2023	March 31, 2022
<b>A ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, Plant and Equipment	2	1,26,155	1,36,080
(b) Capital Work -in-Progress	2a	76,676	36,750
(c) Investment Property		-	-
(d) Financial Assets			
(i) Investments	3	488	488
(ii) Loans		-	-
(iii) Others		-	-
(e) Other non-current assets		-	-
<b>2 Current assets</b>			
(a) Inventories	4	1,17,558	42,546
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables	5	1,24,046	1,36,133
(iii) Cash and cash equivalents	6	17,872	52,116
(iv) Bank balances other than (iii) above	7	6,297	71,840
(v) Loans		-	-
(vi) Others	8	90,847	73,648
(c) Other Current Assets		-	-
<b>TOTAL ASSETS</b>		<b>5,59,940</b>	<b>5,49,602</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	9	62,325	62,325
(b) Other Equity	10	2,79,679	2,52,885
<b>Liabilities</b>			
<b>(I) Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	11	17,584	8,495
(ii) Other Financial Liabilities	12	2,550	8,126
(b) Provisions		-	-
(c) Deferred Tax Liabilities (Net)		16,493	16,465
<b>(II) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	44,000	1,21,156
(ii) Trade Payables		-	-
a) total outstanding dues to Micro and Small Enterprises		-	-
b) total outstanding dues to other than Micro and Small Enterprises	14	1,14,803	48,622
(b) Other Current Liabilities	15	11,899	16,380
(c) Provisions	16	10,607	15,148
(d) Current Tax Liabilities (net)		-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,59,940</b>	<b>5,49,602</b>
Accounting Policies	1		
Notes to The Accounts	2 to 23		

In terms of our report attached  
**For Khurdia Jain & Co.**  
**Chartered Accountants**  
**FIRM REG.NO. 120263W**

**(Abhinav Khurdia)**  
**Partner**  
**M. NO. 126358**  
**UDIN: 23126358BGYQWB6680**

Place: Mumbai  
 Date: May 16, 2023

For and on behalf of the Board of Directors  
**Auro Laboratories Limited**

**(Sharat Deorah)**  
**Managing Director**  
**DIN: 00230784**

**(Siddhartha Deorah)**  
**Whole Time Director**  
**DIN: 00230796**

**(Amit Shah)**  
**Chief Financial Officer**

**(Sweta Agarwal)**  
**Company Secretary**

**Statement of Profit and Loss for the year ended 31st March, 2023**

(Rs. In '000 except EPS)

Particulars		Note	Year ended March 31, 2023	Year ended March 31, 2022
<b>A</b>	<b>CONTINUING OPERATIONS</b>			
<b>1</b>	Revenue from operations	17	5,28,942	5,08,658
<b>2</b>	Other income	18	9,413	10,925
<b>3</b>	<b>Total Income (1+2)</b>		<b>5,38,355</b>	<b>5,19,583</b>
<b>4</b>	<b>Expenses</b>			
	(a) Cost of materials consumed	19.a	3,73,048	3,37,388
	(b) Purchases of stock-in-trade	19.b	-	240
	(c) Changes in inventories of finished goods, work-in-progress and stock in trade	19.c	(16,101)	(9,816)
	(d) Employee benefits expense	20	47,238	62,400
	(e) Finance costs	21	8,142	8,264
	(f) Depreciation and amortisation expense	2	10,742	10,172
	(g) Other expenses	22	80,830	72,195
	<b>Total expenses</b>		<b>5,03,899</b>	<b>4,80,843</b>
<b>5</b>	<b>Profit / (Loss) before exceptional items and Tax (3 - 4)</b>		<b>34,457</b>	<b>38,739</b>
<b>6</b>	Exceptional items		-	-
<b>7</b>	<b>Profit / (Loss) before Tax (5 ± 6)</b>		<b>34,457</b>	<b>38,739</b>
<b>8</b>	<b>Tax expense:</b>			
	(a) Current tax expense for current year		10,008	10,669
	(b) (Less): MAT credit (where applicable)		-	-
	(c) Current tax expense relating to prior years		-	-
	(d) Net current tax expense		10,008	10,669
	(e) Deferred tax		28	(376)
<b>9</b>	<b>Profit / (Loss) for the period (7 ± 8)</b>		<b>24,420</b>	<b>28,446</b>
<b>10</b>	<b>Other Comprehensive Income</b>			
	a) i) Items that will not be reclassified to profit and loss		4,885	1,543
	ii) Income Tax relating to Items that will not be reclassified to profit and loss		(1,359)	(429)
	<b>Total Comprehensive Income for the period (10)</b>		<b>3,526</b>	<b>1,114</b>
<b>11</b>	<b>Total Income for the comprising Profit / (Loss) for the period and other Comprehensive Income for the period (9 ± 10)</b>		<b>27,946</b>	<b>29,560</b>
<b>12</b>	<b>Number of equity shares</b>		62,32,500	62,32,500
<b>13</b>	<b>Earnings per share (of Rs 10/- each):</b>			
	Basic & Diluted (in Rs.) (9/12)		3.92	4.56
	<b>Accounting policies</b>	1		
	<b>Notes to the Accounts</b>	2 to 23		

In terms of our report attached  
**For Khurdia Jain & Co.**  
**Chartered Accountants**  
**FIRM REG.NO. 120263W**

**(Abhinav Khurdia)**  
**Partner**  
**M. NO. 126358**  
**UDIN: 23126358BGYQWB6680**

Place: Mumbai  
Date: May 16, 2023

For and on behalf of the Board of Directors  
**Auro Laboratories Limited**

**(Sharat Deorah)**  
**Managing Director**  
**DIN: 00230784**

**(Amit Shah)**  
**Chief Financial Officer**

**(Siddhartha Deorah)**  
**Whole Time Director**  
**DIN: 00230796**

**(Sweta Agarwal)**  
**Company Secretary**

## Cash Flow Statement for the year ended 31st March, 2023

Rs. In '000

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		34457		38739
<u>Add: Adjustments for:</u>				
Depreciation and amortisation	10742		10172	
Other Non-Cash Items	3488		1114	
Finance costs	8142	22372	8264	19550
		<b>56829</b>		<b>58289</b>
Less: Adjustment for:				
Interest income	1049		3508	
Dividend income	2		5	
		1051		3513
Operating profit / (loss) before working capital changes		<b>55778</b>		<b>54776</b>
<u>Changes in working capital:</u>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	(75012)		(17079)	
Trade receivables	12087		(63144)	
Short-term loans and advances	(17153)		(35095)	
Long-term loans and advances	(46)		(839)	
Other current assets	-		-	
Other non-current assets	-	(80124)	-	(116158)
		<b>(24347)</b>		<b>(61382)</b>
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	66181		(8874)	
Other current liabilities	(4481)		(308)	
Other long-term liabilities				
Short-term provisions	(4541)		4658	
Long-term provisions		57159		(4524)
		<b>32813</b>		<b>(65905)</b>
Cash flow from extraordinary items		-		-
Cash generated from operations		32813		(65905)
Net income tax (paid) / refunds		-		-
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>32812</b>		<b>(65904)</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advance	(40742)		(46096)	
Proceeds from sale of fixed assets	-		-	
Interest received - Others	1049		3508	
Dividend received - Others	2	(39691)	5	(42583)
Net income tax (paid) / refunds		(11122)		(10845)
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(50813)</b>		<b>(53428)</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from long-term borrowings	-		-	
Repayment of long-term borrowings	9089		(4210)	
Net increase / (decrease) in working capital borrowings	(30209)		66166	
Proceeds from other short-term borrowings	(46947)		47307	
Repayment of other short-term borrowings	(5576)		(3073)	
Finance cost	(8142)	(81785)	(8264)	97926
Cash flow from extraordinary items		-		-
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(81785)</b>		<b>97926</b>
<b>Net increase/(decrease) in Cash &amp; cash equivalents (A+B+C)</b>		<b>(99787)</b>		<b>(21406)</b>
Cash and cash equivalents at the beginning of the year		123957		145363
<b>Cash and cash equivalents at the end of the year</b>		<b>24170</b>		<b>123957</b>

In terms of our report attached  
**For Khurdia Jain & Co.**  
 Chartered Accountants  
 FIRM REG.NO. 120263W

(Abhinav Khurdia)  
 Partner  
 M. NO. 126358  
 UDIN: 23126358BGYQWB6680

Place: Mumbai  
 Date: May 16, 2023

For and on behalf of the Board of Directors  
**Auro Laboratories Limited**

(Sharat Deorah)  
 Managing Director  
 DIN: 00230784

(Siddhartha Deorah)  
 Whole Time Director  
 DIN: 00230796

(Amit Shah)  
 Chief Financial Officer

(Sweta Agarwal)  
 Company Secretary

**Statement of Changes in Equity**

Equity Share capital

Rs. In '000

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Nos.	Rs.	Nos.	Rs.
Equity Shares of Rs. 10 each issued, subscribed and fully paid				
<b>Balance at the beginning of the reporting period</b>	62,32,500	62,325	62,32,500	62,325
Restated balance at the beginning of the current reporting period	-	-	-	-
Changes in equity share capital during the year	-	-	-	-
<b>Balance at the end of the reporting period</b>	<b>62,32,500</b>	<b>62,325</b>	<b>62,32,500</b>	<b>62,325</b>

Other Equity - Attributable to owners

Rs. In '000

Particulars	Reserve & Surplus				
	Capital Reserve (State subsidy)	Securities Premium	Retained Earnings	Other Comprehensive Income	Total
<b>Balance as at April 01, 2021</b>	<b>1,500</b>	<b>5,175</b>	<b>2,16,649</b>	<b>176</b>	<b>2,23,501</b>
Changes in accounting policy or prior period errors	-	-	-	-	-
<b>Restated balance at the beginning of the current reporting period</b>	<b>1,500</b>	<b>5,175</b>	<b>2,16,649</b>	<b>176</b>	<b>2,23,501</b>
Last year Comprehensive trf.to retained earning	-	-	-	(176)	(176)
Other Comprehensive income for the year	-	-	-	1,114	1,114
Profit for the year	-	-	28,447	-	28,447
<b>Balance as at March 31, 2022</b>	<b>1,500</b>	<b>5,175</b>	<b>2,45,096</b>	<b>1,114</b>	<b>2,52,885</b>
<b>Balance as at April 01, 2022</b>	<b>1,500</b>	<b>5,175</b>	<b>2,45,096</b>	<b>1,114</b>	<b>2,52,885</b>
Changes in accounting policy or prior period errors	-	-	-	-	-
<b>Restated balance at the beginning of the current reporting period</b>	<b>1,500</b>	<b>5,175</b>	<b>2,45,096</b>	<b>1,114</b>	<b>2,52,885</b>
Other Appropriation	-	-	-	(38)	(38)
Last year Comprehensive trf.to retained earning	-	-	-	(1,114)	(1,114)
Other Comprehensive income for the year	-	-	-	3,526	3,526
Profit for the year	-	-	24,420	-	24,420
<b>Balance as at March 31, 2023</b>	<b>1,500</b>	<b>5,175</b>	<b>2,69,516</b>	<b>3,488</b>	<b>2,79,680</b>

In terms of our report attached

**For Khurdia Jain & Co.**

Chartered Accountants

FIRM REG.NO. 120263W

(Abhinav Khurdia)

Partner

M. NO. 126358

UDIN: 23126358BGYQWB6680

Place: Mumbai

Date: May 16, 2023

For and on behalf of the Board of Directors

**Auro Laboratories Limited**

(Sharat Deorah)

Managing Director

DIN: 00230784

(Siddhartha Deorah)

Whole Time Director

DIN: 00230796

(Amit Shah)

Chief Financial Officer

(Sweta Agarwal)

Company Secretary

## 1. SIGNIFICANT ACCOUNTING POLICIES

### Description of Business

The Company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on Bombay stock exchanges in India. The registered office of the company is located at K-56 MIDC Industrial Area, Tarapur, Boisar, Dist. Palghar- 401506, Maharashtra. The company is dealing in the business of Active Pharmaceutical Ingredients (APIs).

### **A. Statement of Compliance & Basis of Preparation of Financial Statements**

The accompanying Standalone Financial Statements for the year ended March 31, 2023 have been prepared in accordance with Indian Accounting standards ('Ind AS') notified by the Ministry of Corporate Affairs in consultation with the National Advisory Committee on Accounting Standards, under section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act.

These financial statements have been prepared under the historical cost convention.

The Management has assessed its liquidity position and its possible sources of funds. The Board of Directors is confident of the Company's ability to meet its obligations as and when they arise in the next twelve months from the balance sheet date. Accordingly, these financial statements have been prepared on a going concern basis.

The Company presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

- (i) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- (ii) Held primarily for the purpose of trading,
- (iii) Expected to be realised within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- (i) it is expected to be settled in normal operating cycle,
- (ii) it is held primarily for the purpose of trading,
- (iii) it is due to be settled within twelve months after the reporting period

All other liabilities are classified as non-current.

### **B. Use of Estimates and judgments:**

The preparation of financial statements in accordance with Ind AS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### **Critical Accounting Estimates made in Financial Statements:**

#### **i. Revenue**

Sales and other Income are accounted on accrual basis and are taken to be excluding Goods and Service Tax(GST). 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.



**ii. Income Tax and Deferred Tax**

The Company's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows.

The complexity of the Company's structure makes the degree of estimation and judgment more challenging. The resolution of issues is not always within the control of the Company and it is often dependent on the efficiency of the legal processes in the relevant taxing jurisdictions in which the Company operates. Issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As a result there can be substantial differences between the tax charge in the Statement of Profit and Loss and tax payments.

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

**iii. Useful life of Property, Plant & Equipment**

The useful life used to amortize/depreciate intangible assets or property, plant and equipment respectively relates to the expected future performance of the assets acquired and management's judgment of the period over which economic benefit will be derived from the asset. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Statement of Profit and Loss.

The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

**iv. Defined benefit obligation**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include determinations of the discount rate, future salary increase, mortality rates and attrition rate. Due to the complexities involved in the valuation and long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date

**v. Provisions and contingent liabilities**

The Company exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgment is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

**vi. Inventories**

Inventories held in form of traded goods, consumables and spares have been valued at cost or net realizable value whichever is lower. The cost of traded goods, stores and spares is ascertained on FIFO basis. Cost comprises all cost of purchase, non-creditable taxes and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is estimated selling price in the ordinary course of business less estimated cost necessary to make the sale.

**vii. Financial Assets****A. Initial recognition and measurement**

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

**B. Subsequent measurement****a) Financial assets carried at amortised cost (AC)**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**b) Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**c) Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories is measured at FVTPL.

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company determines impairment loss based on the historical default rate and additional impairment based on Management's estimate on specific trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

**viii. Financial liabilities****a) Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**b) Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**ix. Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

**C. Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

**D. Foreign Currency Transactions****a) Functional and presentation currency**

The financial statements of the Company are measured and presented in the currency of the primary economic environment in which the entity operates, which is the INR (its functional currency).

**b) Transactions and balances**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction.

Monetary items denominated in foreign currencies at the year-end are translated at rates prevailing as at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction.

Investments in foreign companies are recorded at the exchange rates prevailing on the date of making the investments. Contingent Liabilities are translated at closing rate.

**E. Employee Benefits**

(i) **Short Term Employee Benefits** The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

(ii) **Post employee benefits:**

**a) Defined Contribution Plan**

The Company makes contributions towards provident fund for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. Contribution to defined contribution plans are recognized as expense in the Profit and Loss Account, as they are incurred.

**b) Defined Benefit Plan and Other Long term benefit plans**

The Company pays gratuity to the employees whoever have completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

**F. Borrowing Cost**

Borrowing costs incurred for directly attributable to the acquisition, construction or production of qualifying asset, which are assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**G. Income Tax****a) Current tax**

Income tax expense represents the sum of the current tax and deferred tax.

Current tax payable or recoverable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Statement of Profit and Loss because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Company's liability for current tax is calculated using Indian tax rates and laws that have been enacted by the reporting date.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**b) Deferred Tax**

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases

used in the computation of taxable profit. It is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted by the reporting date.

A deferred tax asset shall be recognized for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax liabilities are not recognized to the extent they arise from the initial recognition of non-tax-deductible goodwill.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Balance Sheet, if and only when,

- a. the Company currently has a legally enforceable right to set-off the current income tax assets and liabilities, and
- b. when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority.

Tax is charged or credited to the Statement of Profit and Loss, except when it relates to items charged or credited to other comprehensive income/(loss) or directly to equity, in which case the tax is recognized in other comprehensive income/(loss) or in equity.

**c) Minimum Alternate Tax**

Minimum Alternate Tax ('MAT') credit entitlement is generally recognized as a deferred tax asset if it is probable (more likely than not) that MAT credit can be used in future years to reduce the regular tax liability.

**H. Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the Company's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Information on contingent liabilities is disclosed in the notes to the consolidated financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

**I. Contingent Liabilities and Contingent Assets**

Contingent Liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent Assets are neither recognised nor disclosed in the financial statements.

**J. Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted

earnings per share, the net profit or loss for the period attributable to the equity shareholders, and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**K. Impairment reviews**

Ind AS requires management to undertake an annual test for impairment of indefinite lived assets and, for finite lived assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Impairment testing is an area involving management judgment, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management’s expectations of:

- i) growth in Earnings before interest, tax, depreciation and amortization (EBITDA), calculated as adjusted operating profit before depreciation and amortization;
- ii) timing and quantum of future capital expenditure;
- iii) long-term growth rates; and
- iv) selection of discount rates to reflect the risks involved.

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Company’s impairment evaluation and hence results

**Standards issued but not yet effective**

Ind AS 115 Revenue from Contract with Customers: MCA issued Ind AS 15, Revenue from Contract with Customers, but subsequently the same has been deferred by a notification dated 30 March 2016. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers. The Company has evaluated the impact of Ind AS 115 on the financial statements and the same is not material.

**L. Summary of the Company’s exposure to credit risk by age of the outstanding from various customers is as follows:**

The Ageing analysis of Account receivables has been considered from the date the invoice falls due:

**Amounts in Rs. ‘000**

<b>Unsecured considered good</b>	<b>2023</b>	<b>2022</b>
Over six months	2101	2098
Less than six months	121945	134034
<b>Total</b>	<b>124046</b>	<b>136133</b>

**M. Capital Management**

The company’s objectives when managing capital are to

- i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. The Company monitors capital using a ratio of ‘adjusted net debt’ to ‘adjusted equity’. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

**N. Balance of Trade Receivables and Trade payable are subject to confirmations.**

**Note 2 : Property, Plant and Equipment**

Rs. In '000

Particulars	Lease Hold Land	Factory Buildings	Office Buildings	Roads	Plant & Equipment	Furniture & Fixtures	Vehicles	Computers	Miscellaneous Assets	Laboratory Equipment	Total	Capital Work in Process
<b>Gross Carrying amount</b>												
As at April 01, 2022	440	36,031	7,019	338	1,68,697	14,234	8,256	2,405	1,424	15,028	2,43,186	36,750
Additions	-	-	-	-	56	19	-	647	96	-	817	39,926
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2023	440	36,031	7,019	338	1,68,753	14,252	8,256	3,052	1,520	15,028	2,54,690	76,676
<b>Accumulated Depreciation</b>												
As at April 1, 2022	137	13,792	2,223	338	73,916	11,205	3,337	2,266	961	9,617	1,07,619	-
Depreciation charge during the year	4	1,001	111	-	7,420	426	722	163	69	825	10,742	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2023	142	14,793	2,334	338	81,336	11,630	4,059	2,429	1,030	10,442	1,28,533	-
<b>Net carrying amount</b>												
As at March 31, 2023	298	21,238	4,685	-	87,417	2,622	4,197	623	490	4,586	1,26,155	76,676
As at March 31, 2022	302	22,269	4,797	-	94,781	3,029	4,919	140	463	5,411	1,36,080	36,750

**Note 2a : Capital Work In progress**

Rs. In '000

Particulars	As at March 31, 2023	As at March 31, 2022
CWIP- Less than one year	39,926	35,410
CWIP- less than two year	35,410	180
CWIP- More than 3 Year	1,340	1,160
<b>Total</b>	<b>76,676</b>	<b>36,750</b>

**Note 3: Financial Assets- Non-current Investments**

Rs. In '000

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Long Term at cost, unless otherwise specified</b>		
<b>A. Trade Investments</b>		
<b>(a) Quoted:</b>		
680 Shares of Zee Entertainment Enterprises Ltd. face value of Rs. 1/- each	485	485
178 Equity Shares of Dish TV limited		
155 Equity shares of Siti Cable Network Limited		
140 Equity Shares of Zee Media Corporation Limited		
85 Equity Shares Zee Learn Ltd.		
35 Equity Diligent Media Corporation		
<b>Total (A)</b>	<b>485</b>	<b>485</b>
<b>(b) Unquoted</b>		
35 (5) Shares of Worli Ind. Properties Limited of face value of Rs. 100/- each (of the above 5 shares were issued on purchase of assets and included in the value of asset.)	3	3
<b>Total (B)</b>	<b>3</b>	<b>3</b>
<b>Total (A+B)</b>	<b>488</b>	<b>488</b>
<b>Aggregate amount of quoted investments</b>	<b>485</b>	<b>485</b>
<b>Aggregate market value of listed and quoted investments</b>	<b>148</b>	<b>103</b>
<b>Aggregate amount of unquoted investments</b>	<b>3</b>	<b>3</b>

**Note 4: Inventories**

(At lower of cost and net realisable value)

Rs. In '000

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Raw materials	85,541	26,630
(b) Work-in-progress	4,680	6,300
(c) Finished goods (other than those acquired for trading)	26,388	8,667
(d) Stores and spares	949	949
(e) Trading stock	-	-
<b>Total</b>	<b>1,17,558</b>	<b>42,546</b>

**Note 5: Trade receivables**

Rs. In '000

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Unsecured, considered good</b>		
More Than 3 Years	2,101	2,098
Others- Less than six Months	1,21,945	1,34,035
<b>Total</b>	<b>1,24,046</b>	<b>1,36,133</b>

**Trade Receivables ageing schedule as on March 31, 2023**

Rs. In '000

Particulars	Outstanding for following periods from due date of payment#					
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1,21,945	3	-	-	2,098	<b>1,24,046</b>
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						
(iii) Undisputed Trade Receivables – credit impaired						
(iv) Disputed Trade Receivables–considered good						
(v) Disputed Trade Receivables – which have significant increase in credit risk						
(vi) Disputed Trade Receivables – credit impaired						

**Trade Receivables ageing schedule as on March 31, 2022**

Rs. In '000

Particulars	Outstanding for following periods from due date of payment#					
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1,34,035	-	-	-	2,098	<b>1,36,133</b>
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						
(iii) Undisputed Trade Receivables – credit impaired						
(iv) Disputed Trade Receivables–considered good						
(v) Disputed Trade Receivables – which have significant increase in credit risk						
(vi) Disputed Trade Receivables – credit impaired						



**Note 6: Financial Assets- Cash and cash equivalents**

Rs. in '000

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Cash on hand	31	68
(b) Balances with Scheduled banks		
(i) In current accounts	17,841	52,049
(ii) In Cash Credit Accounts	-	-
<b>Total</b>	<b>17,872</b>	<b>52,116</b>

**Note 7: Financial Assets- Bank balances other than 6 (b) above**

Rs. in '000

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Fixed Deposit with Bank	-	65,678
(ii) In deposit accounts		
- Balances held as margin money or security against borrowings, guarantees and other commitments	6,297	6,162
<b>Total</b>	<b>6,297</b>	<b>71,840</b>

**Note 8 : Other Financial Assets**

Rs. in '000

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Short-term loans and advances</b>		
(a) Prepaid expenses - Unsecured, considered good	14,916	16,384
(b) Balances with government authorities		
Unsecured, considered good		
(i) Export incentive receivable	2,535	1,601
(ii) VAT credit receivable	332	332
(iii) GST Receivable	41,604	30,355
(iv) Income Tax Receivable	-	-
(c) Inter-corporate deposits		
Unsecured, considered good	-	-
Doubtful	-	-
(d) Others (specify nature)		
Unsecured, considered good	28,593	22,155
Doubtful	-	-
<b>Long-term loans and advances</b>		
(a) Security deposits		
With Government Bodies	1,357	1,314
With others	1,509	1,507
(b) MAT Credit Entitlements	-	-
<b>Total</b>	<b>90,847</b>	<b>73,648</b>

**Note 9 Equity Share capital**

Rs. in '000

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
<b>(a) Authorised</b> Equity shares of Rs 10 each	70,00,000	70,000	70,00,000	70,000
<b>(b) Issued, Subscribed and fully paid up</b> Equity shares of Rs 10 each	62,32,500	62,325	62,32,500	62,325
<b>Total</b>	<b>62,32,500</b>	<b>62,325</b>	<b>62,32,500</b>	<b>62,325</b>

**Notes:**
**[a] Reconciliation of the number of shares outstanding at the beginning and at the end of the year**

Rs. in '000

Particulars	Equity shares			
	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	62,32,500	62,325	62,32,500	62,325
Shares issued during the year	Nil	Nil	Nil	Nil
Shares bought back during the year	Nil	Nil	Nil	Nil
Redemption of shares	Nil	Nil	Nil	Nil
<b>Shares outstanding at the end of the year</b>	<b>62,32,500</b>	<b>62,325</b>	<b>62,32,500</b>	<b>62,325</b>

The Company has only one class of shares referred to as equity shares having a par value of ₹10. Each holder of equity shares is entitled to one vote per share.

**[b] Shares in the Company held by each Shareholder holding more than 5% shares**

Name of Shareholders	As at March 31, 2023		As at March 31, 2022	
	Number	%	Number	%
Auro Impex Private Limited	11,68,781	18.75%	11,68,781	18.75%
Sharat Deorah	11,65,800	18.71%	11,65,800	18.71%
Siddhartha Deorah	4,41,650	7.09%	4,35,542	6.99%

**[c] Shareholding of promoters of the Company as at March 31, 2023**

Name of promoters & promoter group	As at March 31, 2023		% Change during the year
	Number	%	
<b>Promoters</b>			
Sharat Deorah	11,65,800	18.71%	0.00%
Siddhartha Deorah	4,41,650	7.09%	0.10%
Samriddhi Deorah	2,41,191	3.87%	0.00%
Sharat Deorah HUF	2,29,029	3.67%	0.00%
<b>Total promoters holding</b>	<b>20,77,690</b>	<b>33.34%</b>	<b>0.07%</b>
<b>Promoter Group</b>			
Auro Impex Private Limited	11,68,781	18.75%	0.00%
<b>Total Promoter group holding</b>	<b>11,68,781</b>	<b>18.75%</b>	<b>0.00%</b>
<b>Total</b>	<b>32,46,451</b>	<b>52.09%</b>	<b>0.07%</b>

**Note 10 Other Equity**

Rs. in '000

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
<b>Capital Reserve Account</b>				
State Cash Subsidy		1,500		1,500
Share Premium Account		5,175		5,175
<b>Total</b>		<b>6,675</b>		<b>6,675</b>
<b>Profit &amp; Loss Account</b>				
As per Last Balance Sheet		2,46,210		2,16,826
Net Profit/(Loss) for the year		24,420		28,446
Amount available for appropriation		2,70,630		2,45,272
Opening Comprehensive Income Reversed (Net of Tax)		(1,114)		(176)
Other Appropriation		(38)		-
Comprehensive Income (Net of Tax)		3,526		1,114
Closing Balance		2,73,004		2,46,210
<b>Total</b>		<b>2,79,679</b>		<b>2,52,885</b>

**Note 11 Financial Liabilities- Long Term Borrowings**

Rs. In '000

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured Loans</b>		
(a) Term loan from Bank		
From banks	17,584	8,495
(Exclusive charge by way of hypothecation of office and factory building and personal guarantee of Sharat Deorah - MD & Siddhartha Deorah - WTD)		
(Fresh Term Loan Rs. 15.40 cr. from Indian bank Tenor 96 months including moratorium period of 12 months)		
(GECLS WCTL Rs. 38.50 lacs repayable in 36 EMI after Holiday period of 12 months)		
<b>Total</b>	<b>17,584</b>	<b>8,495</b>

**Note 12 Financial Liabilities- Other Non-Current Financial Liabilities**

Rs. In '000

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Loans from related parties</b>		
Unsecured - From Corporates	2,550	8,126
<b>Total</b>	<b>2,550</b>	<b>8,126</b>

**Note 13 Financial Liabilities-Short Term Borrowings**

Rs. In '000

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Loans against Fixed Deposits		
From banks	-	45,113
(Fresh overdraft Loan Rs. 4.51 cr. from Indian Bank Secured against fixed deposits with bank)		
(b) Current maturities for Long Term Loan	1,440	3,273
(Loan Repayable within 1 Year)		
(c) Loans repayable on demand		
From banks (Secured)	42,560	72,769
(Exclusively hypothecation charge on the entire Stocks, Book Debts and Other current assets and personal guarantee of Sharat Deorah - MD & Siddhartha Deorah - WTD)		
<b>Total</b>	<b>44,000</b>	<b>1,21,156</b>

**Note 14 Financial Liabilities- Trade Payables**

Rs. In '000

Particulars	As at March 31, 2023	As at March 31, 2022
Due to other than Micro and small Enterprises	1,14,803	48,622
(less than one Year)		
<b>Total</b>	<b>1,14,803</b>	<b>48,622</b>

**Note 15 Financial Liabilities- Other Current Financial Liabilities**

Rs. In '000

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Payables on purchase of fixed assets	11	816
(ii) Others Expenses Payable	5,281	5,174
(iii) Provision for Expenses	6,608	10,391
<b>Total</b>	<b>11,899</b>	<b>16,380</b>

**Note 16 Short Term Provisions**

Rs. In '000

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Statutory remittances payable	599	4,479
(ii) Provision for Taxation (Previous Year Net)	10,008	10,669
<b>Total</b>	<b>10,607</b>	<b>15,148</b>

**Note 17 Revenue from operations**

Rs. in '000

	Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a)	Sale of products @ (Refer Note (i) below)	5,22,611	5,04,382
(b)	Other operating revenues (Refer Note (ii) below)	6,331	4,276
	<b>Total</b>	<b>5,28,942</b>	<b>5,08,658</b>

<b>Note (i)</b>	<b>Sale of products comprises</b>		
	Sale of manufactured goods	5,22,611	5,03,972
	Sale of traded goods	-	410
	<b>Total - Sale of products</b>	<b>5,22,611</b>	<b>5,04,382</b>
<b>Note (ii)</b>	<b>Other operating revenues # comprise:</b>		
	Duty drawback and RoDTEP incentives	6,331	4,276
	<b>Total - Other operating revenues</b>	<b>6,331</b>	<b>4,276</b>

**Note 18 Other income**

Rs. in '000

	Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a)	Interest income (Refer Note (i) below)	1,049	3,508
(b)	Dividend income: from long-term investments others	2	5
(c)	Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	4	459
(d)	Net Foreign Exchange Gain	8,358	6,953
	<b>Total</b>	<b>9,413</b>	<b>10,925</b>

<b>Note (i)</b>	<b>Interest income comprises:</b>		
	Interest from banks on:		
	- on banks Deposits	961	3,380
	- on others	88	128
	<b>Total - Interest income</b>	<b>1,049</b>	<b>3,508</b>
<b>Note (ii)</b>	<b>Other non-operating income comprises:</b>		
	Misc. Receipts	4	3
	Income Tax Refund	-	-
	Cash Discount recd	-	-
	Sundry Balance w/back	-	-
	Insurance Claim recd.	-	456
	<b>Total - Other non-operating income</b>	<b>4</b>	<b>456</b>

**Note 19a Cost of materials consumed**

Rs. in '000

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Opening stock	27,579	20,315
Add: Purchases	4,31,959	3,44,652
Less: Closing stock	86,490	27,579
<b>Cost of material consumed</b>	<b>3,73,048</b>	<b>3,37,388</b>
<b>Total</b>	<b>3,73,048</b>	<b>3,37,388</b>

**Note 19b Purchase of traded goods**

Amt in Rs.'000

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Traded good	-	240
<b>Total</b>	<b>-</b>	<b>240</b>

**Note 19c Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Rs. in '000

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b><u>Inventories at the end of the year:</u></b>		
Finished goods	26,388	8,667
Work-in-progress	4,680	6,300
Stock-in-trade	-	-
	31,068	14,967
<b><u>Inventories at the beginning of the year:</u></b>		
Finished goods	8,667	4,429
Work-in-progress	6,300	722
Stock-in-trade	-	-
	14,967	5,151
<b>Net (increase) / decrease</b>	<b>(16,101)</b>	<b>(9,816)</b>

**Note 20 Employee benefits expense**

Rs. in '000

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Salaries and wages	36,627	35,998
Contributions to provident and other funds	531	522
Staff welfare expenses	449	414
Director Remuneration	9,600	25,429
Directors Sitting Fees	32	38
<b>Total</b>	<b>47,238</b>	<b>62,400</b>

**Note 21 Finance costs**

Rs. in '000

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a) Interest expense to:		
(i) Banks	6,534	4,570
(ii) Others	761	916
(iii) Bank Charges	847	2,778
<b>Total</b>	<b>8,142</b>	<b>8,264</b>

**Note 22 Other expenses**
**Rs. in '000**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of stores and spare parts	1,823	2,612
Power and fuel	19,602	15,973
Water	1,180	687
Repairs and maintenance - Buildings	668	2,907
Repairs and maintenance - Machinery	2,781	4,215
Repairs and maintenance - Others	289	530
Insurance	793	632
Rates and taxes	5,417	2,955
Communication	252	189
Travelling and conveyance	4,927	1,658
Printing and stationery	703	1,023
Freight and forwarding	8,018	6,383
Commission & Brokerage	279	79
Laboratory Chemicals	606	910
Factory and Office Expenses	8,490	5,369
Profession Tax (Company)	3	3
Profession Tax (Directors)	13	13
Export Expenses	13,967	18,600
Donations and contributions	100	713
CSR Expenditure	-	1,500
Legal and professional	2,621	2,528
Payments to auditors (Refer Note (i) below)	200	150
Miscellaneous expenses	8,098	2,569
<b>Total</b>	<b>80,830</b>	<b>72,195</b>

**Notes:**

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	100	100
As auditors - Tax audit	50	50
As auditors - Cost audit	50	-
<b>Total</b>	<b>200</b>	<b>150</b>

**23. Notes on Financial Statements:**

- I. Previous year's figures have been regrouped, rearranged and reclassified wherever necessary.
- II. There is no claim against the company not acknowledged as debts.
- III. In the opinion of the management there is no such events occurred after the date of balance sheet that needs disclosure in these accounts.

**IV. Contingent Liabilities and Commitments**

Rs. in '000

Particulars	FY 2023	FY 2022
A. Contingent liabilities and commitments*	25320	12348
B. Claims against the Company not acknowledged as Debts **	19197	19197
C. Estimated amount of contracts remaining to be executed on capital account and not provided for	NIL	NIL

\* Contingent liabilities include Letter of Credit.

\*\* The Company has received a demand notice from Maharashtra Pollution Control board and Tarapur Environment protection Society for Rs. 191.97 Lakhs towards the interim compensation for the damages to the environment. The Company has already deposited 30% of this amount i.e. Rs. 57.591 Lakhs under protest. The Company has also filed an appeal in Supreme Court against the demand and a stay order has already been granted.

- V. The Income Tax Assessments of the Company have been completed up to Assessment year 2022-23.

**VI. Earnings Per Share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Rs. In '000

Particulars	FY 2023	FY 2022
Net Profit for the year (net of taxes)	24420	28447
Weighted average number of equity shares		
For Basis Earnings per share (Nos.)	6232500	6232500
For Diluted Earnings per share (Nos.)	6232500	6232500
Earnings per share of par value Rs. 10		
- Basic	3.92	4.56
- Diluted	3.92	4.56

**VII. Related Party Disclosures**

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

**Concern in which a Director is a Director/member**

Auro Impex Pvt. Limited

**Key Management personnel of the Company**

Managing Director                      Mr. Sharat Deorah  
Whole Time Directors                  Mr. Siddhartha Deorah

Non-Executive Directors	Mr. Kiran Suresh Kulkarni Mr. Kailash Chand Bubna Mr. Govardhan Das Agarwal Mrs. Kavita Vijayakant Sharma
Chief Financial Officer	Mr. Amit Mahipat Shah
Company Secretary	Ms. Shanu Nag - Ceased to be CS w.e.f May 30, 2022 Ms. Sweta Agarwal- Appointed as CS w.e.f May 31, 2022

**Transaction with related parties referred to above in ordinary course of business:**

Rs. in '000

	FY 2023	FY 2022
<b>Interest paid</b>		
Auro Impex Pvt. Limited	761	916
<b>Loan taken</b>		
Auro Impex Pvt. Limited	Nil	Nil
<b>Loan repaid</b>		
AuroImpex Pvt. limited	5400	3000
<b>Outstanding dues at year end</b>		
AuroImpex Pvt. Limited	2550	7950
<b>Remuneration to Directors/KMPs</b>		
Salary and Short-term Employee benefits	11861	27270
Contribution to Provident Fund	17	2
Director's sitting fees	32	38

**VIII. Raw Material Purchased During the year:**

Rs. In '000

Particulars	FY 2023	FY 2022
Packing Material	10097	10805
Raw Material	395229	333847
<b>Total</b>	<b>405326</b>	<b>344652</b>

**IX. Details of imported and Indigenous Raw Materials, Spares and Packing Material Consumed:**

Rs. In '000

Raw Materials	FY 2023	FY 2022
Imported	250150	197561
Indigenous	122898	139827

**X. Foreign Exchange Earnings and Outgo**

Rs. In '000

Particulars	FY 2023	FY 2022
<b>CIF Value of Imports</b>		
Raw Material	250150	197561
<b>Earnings in foreign currency</b>		
Exports on CIF Basis	387859	371796
<b>Expenditure in foreign currency</b>		
Travelling	2743	11
Commission on Export	-	-

**XI. Segment Information:**

The Company is into the business of Bulk Drugs predominantly in India which in the context of Indian Accounting Standards 108 - "Segment Information" represent single reportable business segment. The



revenues, total expenses and net profit as per the statement of the profit and loss represents the revenue, total expenses and the net profit of the sole reportable segment.

**XII. Deferred Tax Assets/Liabilities:**

Rs. in '000

Particulars	FY 2023	FY 2022
A. Deferred Tax Assets		
a. Carried forward Losses	Nil	Nil
b. Unabsorbed Depreciation	Nil	Nil
<b>Total A</b>	Nil	Nil
B. Deferred Tax Liabilities		
a. Difference in Block Value of Fixed Assets	59285	59183
b. Mat Credit Carried Forward	Nil	Nil
<b>Total B</b>	59285	59183
<b>Deferred Tax Liabilities [A-B]</b>	59285	59183
<b>Tax on Deferred Tax Liabilities</b>	16493	16465

**XIII. Corporate Social Responsibility**

As per Section 135 of the Companies Act, 2013 read with rules made thereunder and amendments thereof, the Company does not fall into the criteria specified in Section 135(1) during the immediately preceding financial year and hence not liable to make any contribution towards CSR activities for the financial year 2022-23.

**XIV. Other regulatory Information**

- i. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- ii. The Company does not have any transactions with companies struck off.
- iii. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv. The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- v. The Company have not advanced or given loan or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- vi. The company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- vii. The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of Income Tax Act, 1961).
- viii. The Company has not been declared as Willful Defaulter by any Banks, Financial Institutions or Other lenders.

**XV. Financial Ratios**

Sr. No.	Particulars	Unit	Numerator	Denominator	FY 2023	FY 2022	Variance (%)
1	Current ratio	in times	Current assets	Current liabilities	1.97	1.87	5.23%
2	Debt – Equity ratio	in times	Total borrowings	Shareholder's equity	0.19	0.44	-57.10%
3	Debt service coverage ratio	in times	Profit after taxes before Interest & Depreciation	Total Debt	0.68	0.34	98.43%
4	Inventory Turnover ratio	in times	Cost of goods sold	Average Inventory	8.35	11.42	-26.88%
5	Trade receivables turnover ratio	in times	Sales	Average account receivables	4.79	3.74	28.15%
6	Trade payables turnover ratio	in times	Credit Purchases	Trade Payable	2.82	5.22	-45.94%
7	Net capital turnover ratio	in times	Revenue	Working capital	3.02	2.91	3.79%
8	Return on Equity (ROE)	(%)	Net profit after taxes	Shareholder's equity	7.14%	9.02%	-20.88%
9	Net profit ratio	%	Net profit	Revenue	4.62%	5.59%	-17.45%
10	Return on capital employed	%	Earnings before interest and taxes	Capital employed	11.25%	14.54%	-22.61%
11	Return on Investment (ROI)	%	Income generated from investments	Cost of Investment			
	Quoted				0.42%	1.01%	-58.26%
	Unquoted				0.00%	0.00%	0.00%

**Reasons for Variance (More than 25%):**

- Debt – Equity ratio** improved due to repayment of short-term loan.
- Debt service coverage ratio** improved due to lower finance cost and principal repayment of loans during the year.
- Inventory Turnover ratio** increase due to higher imported raw material stock
- Trade receivables turnover ratio** increase due to higher sale price and delay in export receivable.
- Trade payables turnover ratio** improved due to import payment terms.
- Income generated from Quoted investments** decrease due to change in dividend pay-out from invested company.

In terms of our report attached  
**For Khurdia Jain & Co.**  
 Chartered Accountants  
 FIRM REG.NO. 120263W

**(Abhinav Khurdia)**  
 Partner  
 M. NO. 126358  
 UDIN: 23126358BGYQWB6680

Place: Mumbai  
 Date: May 16, 2023

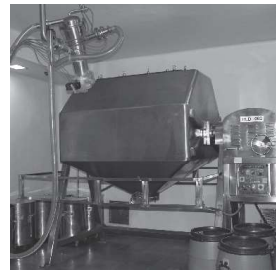
For and on behalf of the Board of Directors  
**Auro Laboratories Limited**

**(Sharat Deorah)**  
 Managing Director  
 DIN: 00230784

**(Siddhartha Deorah)**  
 Whole Time Director  
 DIN: 00230796

**(Amit Shah)**  
 Chief Financial Officer

**(Sweta Agarwal)**  
 Company Secretary



Active Pharmaceutical Ingredients

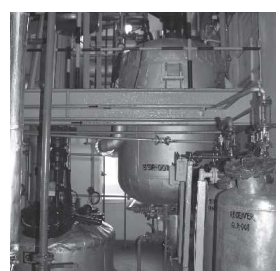
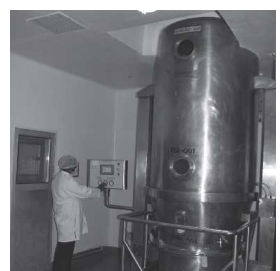
Subtainable Quality

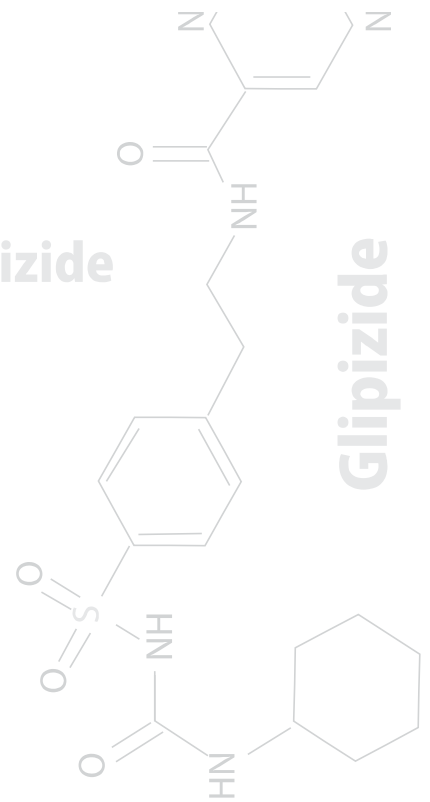
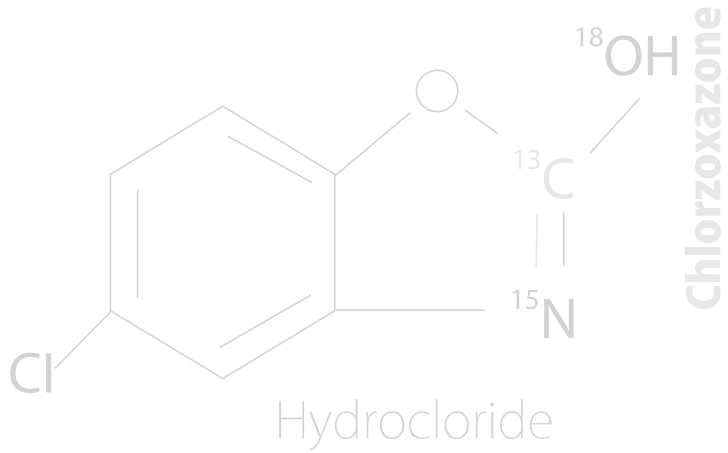
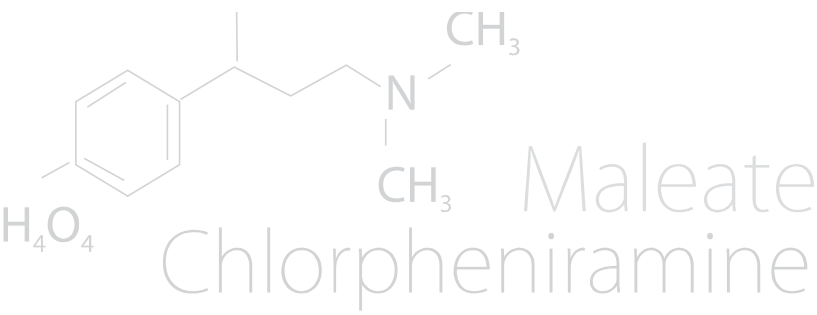
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EDQM Inspected

WHO GMP

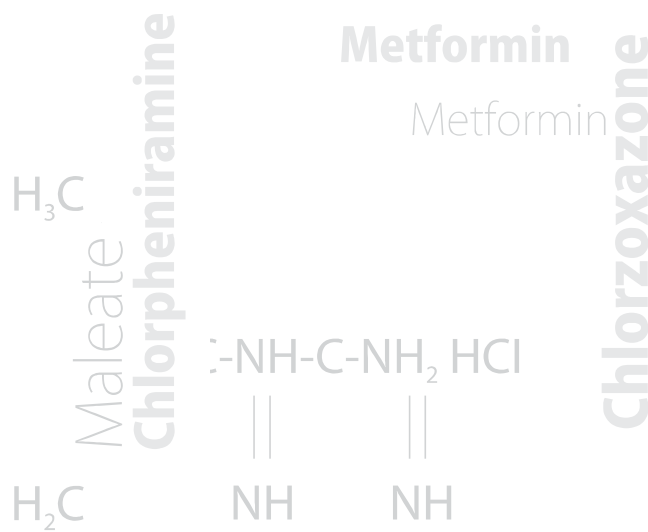
Global Customer





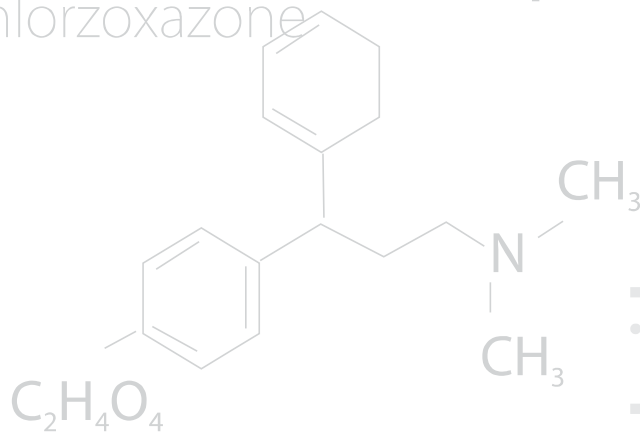
Metformin Hydrochloride

Glipizide



Chlorzoxazone

Chlorzoxazone



Gliclazide

Glimepiride

**Corporate office :**

314, T.V. Industrial Estate, S.K. Ahire Marg, Worli, Mumbai 400030. India

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www.aurolabs.com

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Manufacturing Unit:**

K-56, M.I.D.C Tarapur, Maharashtra – 401 506 , India

CIN No. L33125MH1989PLC051910

Glibenclamide

Glibenclamide