

Annexure 'E' To Director's Report

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW:

Auro Laboratories Limited has been manufacturing and providing generic API's since its inception in 1992. Currently, the company is specialising in producing Anti Diabetics like Metformin HCl. 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.

OPPORTUNITIES, THREATS, OUTLOOK, RISKS AND CONCERNS:

Opportunities

The company has a good opportunity as Diabetes is categorised as a fast increasing disease and some reports estimating the same to be in excess of 10 percent worldwide year on year. 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

There is significant competition from other Generic manufacturers both within India and foreign, however the markets and volumes are quite large.

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 and market conditions.

BUSINESS & OPERATIONAL OVERVIEW:

The highlights of the financial performance of the Company for the year under review are as under: the Total income Rs.4130.79 Lakhs as against Rs.3600.88 Lakhs in the previous year. The total expenditure during the year under review was Rs.3658.05 Lakhs as against Rs.3306.56 Lakhs in the previous year. The Net Profit after tax was Rs.352.95 Lakhs as against Rs.81.52 Lakhs in the previous year. The operational positiveness is indicated in the results mentioned above. The company is making efforts to maintain the same in the coming year.

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.

DEVELOPMENTS IN HUMAN RESOURCES:

Human resources continue to be one of the critical assets of the organization. Attracting relevant talent remains the Company's key focus and continuous efforts are being made to enhance the same. 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.

Registered Office:

K-56, M.I.D.C,
Tarapur Industrial Area,
Palghar – 401 506.
Date: August 13, 2018.

For and on behalf of the Board
AURO LABORATORIES LIMITED

SHARAT DEORAH
(DIN: 00230784)
CHAIRMAN & MANAGING DIRECTOR