



# AuSom Enterprise Limited

Ref. No.: - AEL/SEC/STOCK/2017-2018

Date: - 28/09/2017

To,  
The Manager, DCS-CRD  
Corporate Relationship Department,  
Bombay Stock Exchange Limited,  
Phiroze Jeejeebhoy Tower,  
Dalal Street, Mumbai- 400 001

To,  
The Listing Department, 5<sup>th</sup> Floor,  
National Stock Exchange of India Limited,  
"Exchange Plaza",  
Bandra-Kurla Complex,  
Bandra (East), Mumbai-400 051.

SECURITY CODE: **509009** || SECURITY ID: **AUSOMENT** || ISIN: **INE218C01016** || SERIES: **EQ**

**Sub: - Submitting of Annual Report for the year 2016-2017.**

**Dear Sir/ Madam,**

With reference to the above mentioned subject and in compliance with the requirements of the Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith Annual Report (containing Notice, Director's Report, Balance Sheet, Statement of Profit & Loss, Cash Flow Statement) for the year 2016-2017 for your kind consideration and noting.

You are requested to take note of the same and acknowledge.

Thanking you in anticipation.

Yours Sincerely,

**For AuSom Enterprise Limited**

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**(Ravikumar Pasi)**  
Company Secretary



Correspondence Address : 606 "SWAGAT", Near Lal Bungalow,  
C.G.Road, Ahmedabad-380 006. Phone : +91 79 2642 1422-1499  
Fax : +91 79 2656 9898 E-mail : ausom.ael@gmail.com www.ausom.in

Registered Office : 11-B, New Ahmedabad Industrial Estate,  
Sarkhej-Bavla Road, Village - Moraiya - 382 213.  
Dist. Ahmedabad, Gujarat, INDIA • CIN : L67190GJ1984PLC006746

33rd  
Annual Report 2016-17



AuSom Enterprise Limited

<b>CHAIRMAN</b>	:	MR. ZAVERILAL V. MANDALIA
<b>MANAGING DIRECTOR &amp; CHIEF EXECUTIVE OFFICER</b>	:	MR. KISHOR P. MANDALIA
<b>DIRECTORS</b>	:	MR. VIPUL MANDALIA MR. GHANSHYAMBHAI AKBARI MR. HITESH ADESHARA MRS. NIRUPAMA VAGHJIANI
<b>COMPANY SECRETARY &amp; COMPLIANCE OFFICER</b>		MR. RAVIKUMAR PASI
<b>CHIEF FINANCIAL OFFICER (CFO)</b>	:	MR. RUPESH SHAH
<b>AUDITORS</b>	:	M/S. C. R. SHAREDALAL & CO. CHARTERED ACCOUNTANTS AHMEDABAD
<b>BANKERS</b>	:	HDFC BANK LIMITED INDUSIND BANK LIMITED AXIS BANK LIMITED ALLAHABAD BANK
<b>REGISTERED OFFICE</b>	:	11-B, NEW AHMEDABAD INDUSTRIAL ESTATE, SARKHEJ-BAVLA ROAD, VILLAGE - MORAIYA-382 213. DIST.:- AHMEDABAD. GUJARAT.
<b>CORPORATE OFFICE</b>	:	606, SWAGAT BUILDING NR. LAL BUNGLOW, C.G. ROAD AHMEDABAD 380006.

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GROUP WHICH EXERCISES OR IN A POSITION TO EXERCISE CONTROL, DIRECTLY OR INDIRECTLY OVER **AUSOM ENTERPRISE LIMITED**.

FOLLOWING ARE INDIVIDUALS/PERSONS CONSTITUTING GROUP (AS DEFINED IN MRTP ACT, 1969), WHICH EXERCISES OR ARE IN A POSITION TO EXCISE CONTROL, DIRECTLY OR INDIRECTLY OVER **AUSOM ENTERPRISE LIMITED**.

<b>SR. NO.</b>	<b>NAME OF THE INDIVIDUALS/PERSONS CONSTITUTING GROUP</b>	<b>REMARK</b>
1	KISHOR PRANJIVANDAS MANDALIA	ACQUIRER
2	MANDALIA VIPULKUMAR ZAVERILAL	ACQUIRER
3	ZAVERILAL V. MANDALIA	ACQUIRER
4	BHARATI ANIL PAWANI	ACQUIRER
5	CHANDRESH Z. MANDALIA	ACQUIRER
6	SAVITRI DAYARAM PAWANI	ACQUIRER
7	BHARAT PRANJIVANDAS MANDALIA	ACQUIRER
8	ARUNABEN KISHORBHAI MANDALIA	PAC*
9	FENNYBEN C. MANDALIA	PAC*
10	DAXABEN BHARATBHAI MANDALIA	ACQUIRER
11	PRAFULLABEN Z. MANDALIA	PAC*

\* PAC- PERSONS ACTING IN CONCERT

**NOTICE**

**NOTICE** is hereby given that the Thirty Third (33rd) Annual General Meeting of the Members of **M/S. AUSOM ENTERPRISE LIMITED** (CIN:L67190GJ1984PLC006746) will be held on Thursday, the 28<sup>th</sup> day of September, 2017 at 10.30 a.m. at the Registered Office of the Company situated at 11-B, New Ahmedabad Industrial Estate, Sarkhej - Bavla Road, Village- Moraiya-382 213. Dist.-Ahmedabad to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2017, the Statement of Profit and Loss for the year ended on that date together with the Report of the Board of Directors' and Auditor's thereon.
2. To appoint a Director in place of Mr. Zaverilal V. Mandalia (DIN: 00133262), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. SWETA PATEL & ASSOCIATES, Chartered Accountants, as Statutory Auditors of the Company.

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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, M/s. SWETA PATEL & ASSOCIATES, Chartered Accountants, Ahmedabad (FRN – 139165W), be and are hereby appointed as Statutory Auditor of the Company, in place of the existing Statutory Auditor M/s C. R. SHAREDALAL & CO., Chartered Accountants, Ahmedabad (FRN - 109943W) to hold office for a period of 5 years viz. from the conclusion of ensuing 33rd AGM of Company till the conclusion of 38th AGM, subject to approval/ratification by the members in ensuing AGM and subsequent AGMs of the Company till the expiry of their term, as may be applicable and at such remuneration as may be fixed by the Board of Directors of the Company.

**By Order of the Board of Directors  
For AuSom Enterprise Limited**

**Place: Ahmedabad  
Date: - 10th August, 2017**

**Ravikumar Pasi  
Company Secretary & Compliance Officer**

**Registered Office:**

11-B, New Ahmedabad Industrial Estate,  
Sarkhej-Bavla Road, Village – Moraiya-382 213.  
Dist.:- Ahmedabad.Gujarat.  
CIN: L67190GJ1984PLC006746,  
Phone: +91 79 2642 1422-1499 Fax: +91 79 2656 9898  
E-mail: ausom.ael@gmail.com Website: www. ausom.in

**NOTES:**

1. A statement giving the relevant detail of the Directors seeking appointment/ reappointment under item 2 of the accompanying Notice, as required under Regulation 36(3) of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed herewith.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY INSTEAD OF HIMSELF/HERSELF TO ATTEND AND VOTE AT THE MEETING. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY MUST BE LODGED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME AT WHICH THE MEETING IS SCHEDULED TO BE HELD. THE PROXY FORM IS ATTACHED HEREWITH.
3. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company.  
  
Provided that a member holding more than 10%, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
4. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting (AGM) pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company a certified copy of the relevant Board resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the AGM.
5. Electronic copy of the Annual Report 2016-17 including Notice of the 33rd Annual General Meeting (AGM), Instructions for e-voting, Attendance Slip and Proxy Form is being sent to all the members whose e-mail IDs are registered with the Registrar and Transfer (R & T) Agent. Members other than these have been sent the physical copies of the Annual Report 2016-17, Notice of 33rd AGM instructions for e-voting, Attendance Slip and Proxy Form by the permitted mode at their address registered with the Company.
6. Soft copy of 'Annual Report 2016-17' is available on Company's website [www.ausom.in](http://www.ausom.in).
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
8. The Register of Contracts and Arrangements in which the directors are interested, maintained under section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
9. The Register of Members and Share Transfer Books shall remain closed from Saturday, the 23rd September, 2017 to Thursday the 28th September, 2017 (both days inclusive).
10. Members are advised to avail Nomination facility as well as Dematerialization facility.
11. The Company has appointed M/s. Link Intime India Private Limited Office situated at 5th Floor, 506 to 508, Amarnath Business Center -I (ABC-I), Beside Gala Business Center, Nr. St. Xavier's College Corner, Off C.G. Road, Navrangpura, Ahmedabad- 380 009 as Registrar and Transfer (R & T) Agent for carrying out work relating to transfer as well as dematerialization of shares. The members/ investors are requested to communicate their queries in regards to transfer and dematerialization of shares to R & T Agent at the address mentioned above.
12. The Company for the purpose of redressal of investor grievances has created an Email ID "investorcomplaints@gmail.com". This will facilitate to the investors to communicate any complaint/grievances to the Company directly.

13. Shareholders seeking any information or clarification on the accounts are requested to send written queries to the Company, atleast 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
14. The Company, has provided facility to its shareholders to cast their vote through electronic means.
- I. In compliance with provision of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management & Administration) Rule, 2014 read with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 33rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services as provided by Central Depository Services (India) Limited (CDSL). The facility for voting through ballot papers will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot papers. Members who have cast their votes by remote e-voting prior to AGM are eligible to attend AGM but shall not be entitled to cast their votes again. And once the vote on resolution is cast by member, he/she shall not be allowed to change it subsequently.
- II. The Instruction for members for voting electronically are as under:-

**The instructions for shareholders voting electronically are as under:**

**(A) The Company is pleased to offer e-Voting facility for its Members to enable them to cast their Votes electronically. The procedure and instructions for the same are as follows:**

- (i) The voting period begins on Monday, 25th day of September, 2017 at 10:00 a.m. and ends on Wednesday, 27th day of September, 2017 at 5:00 p.m. 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. 21st September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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 voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
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>Members who have not updated their PAN with the Company/Depository Participant are requested to use the Sequence Number which is printed on Address slip or send with email indicated in the PAN Field.</li> </ul>
Dividend Bank Details OR 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 (iv).</li> </ul>



- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant **AUSOM ENTERPRISE LIMITED (EVSN: 170822038)** on which you choose to vote.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votescast by clicking on “Click here to print” option on the Voting page.
- (xvii) If 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.
- (xviii) **Shareholders can also use Mobile app ‘m-Voting’ for e-voting, m-voting app is available on Apple, Android and Windows based Mobile. Shareholders may log in to m-voting using their e-voting credentials to vote for the company resolution(s).**
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - 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.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



**(B) In case of members receiving the physical copy:**

Please follow all steps from sl. no. (i) to sl. no. (xix) as mentioned in (A) above to cast vote.

**Other Instructions**

Mr. NIRAJ TRIVEDI, Company Secretary in Practice (Membership No.: FCS 3844, C.P. No.: 3123) Email ID:csneerajtrivedi@gmail.com has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall within a period not exceeding two (2) working days from conclusion of the general meeting unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman or a person authorized by him in writing who shall countersign the same of the Company.

The result shall be declared after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website <http://www.ausom.in/> and on the website of CDSL within Forty Eight (48) hours of conclusion of the AGM of the Company and communicate details regarding the voting result to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

All Documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours (11:00 am to 5:00 pm) on all working days except Saturday and other public holidays, up to and including the date of the Annual General Meeting of the Company.

**Annexure to the Notice**

Additional information on director recommendation for appointment/reappointment required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A Brief resume of the Director	Mr. Zaverilal V. Mandalia is under graduate. He has around 49 years of experience in the field of Wholesale and Retail jewellery business and marketing.
Nature of his expertise in specific functional area	Wholesale and Retail jewellery business
Disclosure of relationship between directors inter-se	Except Mr. Kishor Mandalia and Mr. Vipul Mandalia Director of the Company, non of the Directors have inter-se relation.
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board	None
Shareholdings in the Company	Equity Share 8,04,547 & Preference Shares 18,00,000

**By order of the Board of Directors  
For AuSom Enterprise Limited**

**Place: Ahmedabad  
Date: - 10th August, 2017**

**Ravikumar Pasi  
Company Secretary & Compliance Officer**

**Registered Office:**  
11-B, New Ahmedabad Industrial Estate,  
Sarkhej-Bavla Road, Village – Moraiya-382 213.  
Dist.:- Ahmedabad.Gujarat.  
CIN: L67190GJ1984PLC006746,  
Phone: +91 79 2642 1422-1499 Fax: +91 79 2656 9898  
E-mail: ausom.ael@gmail.com Website: www. ausom.in

To  
The Members,

**M/s. AUSOM ENTERPRISE LIMITED**  
**Ahmedabad**

Your Directors have pleasure in submitting their 33rd Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2017.

**1. FINANCIAL RESULTS**

The Company's financial performance for the year under review along with previous year's figures is given hereunder:

PARTICULARS	Particulars for Year ended	
	(Amount in ₹ )	
	Current Year 31 <sup>st</sup> March 2017	Previous Year 31 <sup>st</sup> March 2016
Net Sales /Income from Business Operations	2,88,51,27,596	2,85,54,16,469
Other Income	7,27,60,532	4,95,85,622
Total Income	2,95,78,88,128	2,90,50,02,091
Profit before Depreciation	7,20,69,792	58,70,165
Less: Depreciation	34,436	52,676
Profit after depreciation	7,20,35,356	58,17,489
Less: Current Income Tax	1,45,00,000	9,91,000
Less: Previous year/s adjustment of Income Tax ,	30,34,141	21,233
Less: Deferred Tax	Nil	Nil
Net Profit after Tax	5,45,01,215	48,05,256
Dividend (including Interim if any and final )	Nil	Nil
Net Profit after dividend and Tax	5,45,01,215	48,05,256
Amount transferred to General Reserve	Nil	Nil
Balance carried to Balance Sheet	5,45,01,215	48,05,256
Earnings per share (Basic)	4.00	0.35
Earnings per Share(Diluted)	4.00	0.35

**2. DIVIDEND**

No Dividend was declared for the financial year under review due to inadequacy of profit.

**3. AMOUNTS TRANSFERRED TO RESERVES**

During the year, Company earned profit of Rs. 5.45 Cr. which has been transferred to surplus in the Statement of Profit and Loss. As a result as on 31-03-2017 the total reserve and surplus is amounting to Rs. 32.85 Cr.

**4. STATE OF COMPANY AFFAIRS AND OUTLOOK**

The Company, in the year under consideration, has carried out activities in the field of trading of commodities, bullions, shares & securities, units of mutual funds. The Company has generated revenue of Rs. 295.79 Cr. as against Rs. 290.50 Cr. for the previous year. Similarly, the Company has generated net profit amounting to Rs. 5.45 Cr. (PAT) as against Rs. 0.48 Cr. (PAT) for the previous year.

The Company during current year is anticipating to achieve gross turnover of Rs. 1000 Cr. and for that necessary efforts has been initiated. The management of the Company is of the view that the target of gross turnover will definitely be achieved and necessary resources for the same have also been generated.

During the year under review, there is no change in the nature of business.

**5. MATERIAL CHANGES AND COMMITMENTS**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of signing of this report.

**6. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL**

During the year no significant and material order were passed for or against the Company by any authorities.

**7. INTERNAL FINANCIAL CONTROLS**

The Company has adequate internal financial control system with reference to the Financial Statements. As a part of Internal Financial Control, the company has identified policy and procedure to ensure orderly and efficient conduct of its business including adherence to 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 the timely preparation of reliable financial information.

**8. DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

No company has become or ceased to become the Subsidiary, Joint venture or Associate Company during the year under review. The Company does not have any Subsidiary, Joint venture or Associate Company.

**9. DEPOSITS**

The Company has neither accepted nor renewed any deposits during the year under review. Even the company does not have any unpaid or unclaimed deposit at the end of the year.

**10. REPORT ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT TO SHAREHOLDERS**

Your Company has complied with all the mandatory requirements of Corporate Governance norms as mandated by Regulation 15(2) and 27 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate report on Corporate Governance together with the Certificate regarding compliance of conditions of Corporate Governance as stipulated under Regulation 34(3) read with Schedule V of SEBI (LODR) Regulations, 2015 forming part of this Annual Report at **Annexure –'A'**.

The Management Discussion & Analysis report also forms part of this Annual Report at **Annexure –'B'**.

**11. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company has constituted a Corporate Social Responsibility Committee in compliance with Section 135 of the Companies Act, 2013 read with rules framed thereunder.

The Company for the year under consideration did not spent any amount towards CSR activities mainly due to the reason that the Company could not identify the appropriate activities falls under Schedule VII and CSR policy. The Company will identify such activity in and around the Registered Office and accordingly will spend.

The Company as per Section 135(4) has adopted the CSR Policy and placed it on the Company's website:  
<http://ausom.in/PDF/POLICY/CORPORATE%20SOCIAL%20RESPONSIBILITY%20POLICY.pdf>

The requisite details on CSR activities pursuant to Section 135 of the Companies Act, 2013 that with its rules is attached at **Annexure- 'C'**.

**12. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013, the Company has constituted the Nomination and Remuneration Committee and

their policy and the same is approved by the Board. The Policy is attached at **Annexure – 'D'**.

**13. EXTRACT OF ANNUAL RETURN**

The extract of Annual Return in Form MGT-9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished at **Annexure-'E'**.

**14. AUDITORS AND QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY AUDITORS  
STATUTORY AUDITORS**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s C. R. Sharedalal & Co., Chartered Accountants, Ahmedabad, the existing Statutory Auditor of the Company has completed the maximum tenure that he could hold as the Statutory Auditor of the Company, hence Audit Committee has recommended to appoint new Auditors M/s. SWETA PATEL & ASSOCIATES, Chartered Accountants, Ahmedabad (F. R. No. 139165W), as the Statutory Auditor of Company, in place of M/s C. R. Sharedalal & Co., Chartered Accountants, who shall hold office for a period of 5 years from the conclusion of 33rd AGM to the conclusion of 38th AGM, subject to approval/ratification of their appointment by the members in ensuing/subsequent AGM of the Company, till the expiry of their term. M/s. SWETA PATEL & ASSOCIATES, Chartered Accountants, Ahmedabad (F. R. No. 139165W), have confirmed their eligibility to the effect that if their appointment is made by the members in the ensuing Annual General Meeting, it shall be within the prescribed limits and they have also confirmed that they are not disqualified for such appointment.

Necessary resolution for appointment of the said Auditor is included in the Notice of AGM for seeking approval of members.

There is no qualification or adverse remarks or disclaimers made by the auditors in their report on the financial statement of the Company for the financial year ended 31st March, 2017.

**SECRETARIAL AUDITOR**

The Board pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has appointed MR. NIRAJ TRIVEDI, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report in prescribed format MR-3 for the financial year ended March 31, 2017 is annexed here with marked at **Annexure-'F'** to this Report.

As regards the observations made in the said Secretarial Audit Report, in respect of not spending on CSR activities, explanation is given in this Board Report under the heading 'Corporate Social Responsibility'.

**15. WHISTLE BLOWER POLICY (VIGIL MECHANISM)**

As per requirement of Section 177(9) read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014, The Company has formulated a Whistle Blower policy to establish a vigil mechanism for Directors and Employees of the Company to report their genuine concern or grievances about unethical behavior, actual or suspected fraud or violation of the company's Code of Conduct. The said policy is attached at **Annexure –'G'**.

**16. SHARES**

**a) BUY BACK OF SECURITIES**

The Company has not bought back any of its securities during the year under review.

**b) SWEAT EQUITY**

The Company has not issued any Sweat Equity Shares during the year under review.

**c) BONUS SHARES**

No Bonus Shares were issued during the year under review.

**d) EMPLOYEES STOCK OPTION PLAN**

The Company has not provided any Stock Option Scheme to the employees.

**17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The provisions of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 do not apply to our Company considering the nature of activities i.e. trading of commodities, bullions, gold jewellery, shares and securities, units of mutual funds, diamonds and derivatives.

The Company has not earned any Foreign Exchange amount by way of direct export and has not spent any amount on purchase of Trade goods or Commodities during the year.

**18. CHANGE IN DIRECTORS / KEY MANAGERIAL PERSONNELS****RETIREMENT BY ROTATION:**

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and Articles of Association of the Company, Mr. Zaverilal V. Mandalia (DIN: 00133262) will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. The Board recommends his reappointment.

The detailed resumed of Mr. Zaverilal V Mandalia is provide in the Notice to this report as required under SEBI (LODR) 2015.

**FORMAL ANNUAL EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19(4) read with Schedule II, Part-D of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of its committees. The performance evaluation of the Independent directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors.

**DECLARATION OF INDEPENDENT DIRECTOR(S)**

The definition of Independence of Directors is derived from Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015 and Section 149(6) of the Companies Act, 2013.

All the Independent Directors have submitted their declaration to the Board to the effect that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves as Independent Directors under the provisions of Section 149(7) of the Companies Act, 2013 and the relevant rules.

**19. PERSONNEL****A. Disclosure under section 197 (12) and rules 5(1) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014.**

The requisite details relating to ratio of remuneration, percentage increase in remuneration etc. as stipulated under the above rules are annexed at– **Annexure - 'H'** to this report.

**B. Statement of Particulars of top ten Employees Pursuant to Rule 5 (2) of the Companies (Appointment And Remuneration of Managerial Personnel) Rules, 2014**

(i) Name of top 10 Employees in terms of remuneration draw: The same shall be provided on request.

(ii) Employed throughout the year and were in receipt of remuneration of not less than Rs. 1.02 Crore per annum: Not Applicable

(iii) Names of employees employed for part of the year and were in receipt of remuneration of not less than Rs. 8.5 Lacs per month: Not Applicable.

(iv) Employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole time director or manager and hold by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company: Not Applicable

(v) None of the Company's employees is related to any directors.

## **20. NUMBER OF BOARD MEETINGS**

During the Financial Year 2016-17, total 4 (Four) meetings of Boards were held respectively on 30/05/2016, 10/08/2016, 10/11/2016 and 08/02/2017.

## **21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The particulars of loans given, investments made, guarantees given and securities provided under Section 186 of the Companies Act, 2013 and Rules thereof along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the financial statement at Note 10, 16 and 41 to this Financial Statement.

## **22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties under Section 188 of Companies Act, 2013 and the Regulation 23 of SEBI (LODR), Regulations, 2015 were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link:

<http://www.ausom.in/PDF/POLICY/Material%20Related%20Party%20Transaction%20Policy.pdf>

The particulars in prescribed form AOC-2 is attached at **Annexure – 'I'**.

## **23. DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its Responsibility Statement:—

- a) In preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 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; and

- 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.

**24. RISK MANAGEMENT POLICY**

your Directors have voluntarily constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. A Group Risk Management Policy was reviewed and approved by the Committee.

The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's management systems, organizational structures, processes, standards, code of conduct and behaviours that governs how the Group conducts the business of the Company and manages associated risks.

The Company has introduced several improvements to Integrated Enterprise Risk Management, Internal Controls Management and Assurance Frameworks and processes to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities. This integration is enabled by all three being fully aligned across Group wide Risk Management, Internal Control and Internal Audit methodologies and processes.

**25. REPORT ON THE SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSEL) ACT 2013.**

In terms of section 22 of the SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSEL) ACT 2013 we report that, during 2016-17, no case has been filed under the said act.

**26. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared in the past by the company.

**27. ACKNOWLEDGEMENTS**

Your Directors place on record their sincere thanks to bankers, business associates, consultants and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

**For AuSom Enterprise Limited  
For and on behalf of the Board of Directors,**

Place: Ahmedabad  
Date: 10th August, 2017

Kishor P. Mandalia  
Managing Director  
Din: 00126209

Vipul Z. Mandalia  
Director  
Din: 02327708

**REPORT ON CORPORATE GOVERNANCE**

In terms of Regulation 34(3) read with Part C of SCHEDULE V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance for the year ended 31st March, 2017 is presented below:

**1. A Brief Statement on the Company's philosophy on Code of Governance**

The Company has accepted the concept of Corporate Governance as a challenge and is committed to achieve highest level of Corporate Governance. Corporate Governance is nothing but to maintain high standards of transparency and fairness. To achieve the same, the Company has developed a team of educated, experienced and qualified management personnel. The Board of Directors of the Company effectively monitors the management progress and corporate decisions.

**2. Board of Directors**

As per the present requirements of Corporate Governance, the composition of Board of Directors consisting of Executive Directors as well as Non-Executive and Independent Directors.

**Composition and category of Directors:**

Presently, the Company has 6 (Six) Directors. Mr. Zaverilal Mandalia is the Chairman of the Board and is also a Non-Executive Promoter Director. The composition of the Board comprises of Five (05) Non-Executive Directors, of which, three (03) Directors are Independent Directors including one (01) Woman Director and one (01) Executive Director. The Company has valid composition of Board as required under Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR). The details of such directors are;

Sr. No.	Name of Directors	Category of Directors	No. of Board Meeting attended	Attendance at last AGM held on 29th September, 2016	No. of other Directorships & Committee Memberships/Chairmanships*			Directors inter-se relationship, if any	No. of Shares / (%)
					Directorship	Committee Membership	Committee Chairmanship		
1	Mr. Zaverilal Mandalia	Promoter/ Non-Executive Director	04	Yes	06	Nil	Nil	Relative of Mr. Kishor Mandalia and Mr. Vipul Mandalia	804547/ (5.91)
2	Mr. Kishor Mandalia	Promoter/ Executive Director	04	Yes	08	01	Nil	Relative of Mr. Zaverilal Mandalia and Mr. Vipul Mandalia	1189102/ (8.73)
3	Mr. Vipul Mandalia	Promoter/ Non-Executive Director	04	Yes	03	03	01	Relative of Mr. Zaverilal Mandalia and Mr. Kishor Mandalia	836420/ (6.14)
4	Mr. Hitesh Adeshara	Non Executive / Independent Director	04	Yes	Nil	02	02	Not Applicable	NIL
5	Mr. Ghanshyambhai Akbari	Non Executive / Independent Director	04	Yes	01	03	01	Not Applicable	NIL
6	Mrs. Nirupama Vaghjiani	Non Executive / Women Director	04	Yes	Nil	03	Nil	Not Applicable	NIL

\*Chairmanship and membership of committee include chairmanship and membership of audit committee and stakeholder relationship committee in other companies.



**Number of meetings of the Board of Directors held and dates on which held;**

During the financial year 2016-17, Board of Directors met 04 (Four) times and the gap between two board meeting was well within the limit prescribed i.e. the Gap between two Board Meetings never exceeded 120 days. The dates of each such Board Meetings are: -

Quarter	Date(s) of Meeting
1 <sup>st</sup> Quarter - From April to June, 2016.	30th May, 2016
2 <sup>nd</sup> Quarter - From July to September, 2016.	10th August, 2016
3 <sup>rd</sup> Quarter - From October to December, 2016.	10th November, 2016
4 <sup>th</sup> Quarter - From January to March, 2017.	8th February, 2017

**Familiarisation Programme**

The Company has formulated policy for the Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company, etc. through various programmes from time to time. The said Policy is available on the website of the Company:

[http://ausom.in/PDF/POLICY/familiarisation\\_programme\\_for\\_independent\\_non-executive\\_directors.pdf](http://ausom.in/PDF/POLICY/familiarisation_programme_for_independent_non-executive_directors.pdf)

With a view to familiarize the Independent Directors with the Company's operations, separate meetings of the Independent Directors were convened on 8<sup>th</sup> February, 2017 (all Independent Directors were present) wherein the Directors were given detailed presentation covering the organisational set up, details of its promoters, shareholding pattern, details about other directors on the Board, accreditations / recognitions received by the Company, financial highlights of Company's performance, market share of major products, export share of major products, strategic advantages and concerns, other directors on the board etc.

**BOARD COMMITTEES:**

The business of the Board is also conducted through the Committee constituted by the Board to deal with specific matters as per delegated powers for different areas of the Company.

The terms of reference of the Board Committees, their composition and attendance of the respective Members at the various Committee Meetings held during the year are set out below:

**3. Audit Committee**

The terms of reference of Audit Committee cover the matters specified under Regulation 18(3) read with Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as well section 177 of the Companies Act, 2013. The Members of the committee possess adequate knowledge of Accounts, Audit, Finance, etc.

The brief description of terms of reference of the Audit Committee inter-alia are as under:

1. 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;
2. Recommendation for appointment, remuneration and terms of appointment of auditors i.e. statutory and internal auditor of the Company;
3. Approval of payment to auditors i.e. statutory and internal auditor for any other services rendered by them;
4. Reviewing, with the management, the annual financial statements and auditors report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgement by management.



- d. Significant adjustments made in the financial statements arising out of audit findings.
- e. Compliance with listing and other legal requirements relating to financial statements.
- f. Disclosure of any related party transactions.
- g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with the management, performance of statutory & internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as may be decided by the Board and is mentioned in the terms of reference of the Audit Committee.

**Composition:**

The audit committee comprises of:-

Name of Director	Category of Directorships	No. of Meetings Attended
Mr. Hitesh Adeshara (Chairman of the Committee)	Non-Executive Independent Director	4
Mr. Ghanshyambhai Akbari	Non-Executive Independent Director	4
Mrs. Nirupama Vaghjiani	Non-Executive Independent Director	4

**Meetings Details:**

In the financial year 2016-17, the Audit Committee met 04 (Four) times i.e. on 30-05-2016, 10-08-2016, 10-11-2016 and 08-02-2017.

During the year, all the recommendations of Audit Committee have been accepted by the Board.

#### 4. Nomination and Remuneration Committee

The terms of reference of the committee are to be determined as per Regulation 19(4) in Part D of the Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of Companies Act, 2013 and Rules thereunder and recommend to the Board the nomination of Directors and remuneration payable to the Directors of the company and appraisal of performance.

The Brief description of the terms of reference of the Nomination and Remuneration Committee, inter alia, includes the following:

- 1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Director a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- 2) Formulation of criteria for evaluation of performance of Independent directors and the board of directors.
- 3) Devising a policy on Board's diversity.
- 4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
- 5) Identifying to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of Independent directors.

#### Composition

The Nomination and Remuneration Committee comprises of:-

Name of Director	Category of Directorships	No. of Meeting attended
Mr. Hitesh Adeshara (Chairman of the Committee)	Non-Executive Independent Director	01
Mr. Vipul Mandalia	Non-Executive Director/ Promoter	01
Mrs. Nirupama Vaghjiani	Non-Executive Independent Director	01

#### Meetings Details:

In the financial year 2016-17, the Nomination and Remuneration Committee met 01 (One) time on 08-02-2017.

#### Meeting of Independent Directors

As per Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in compliance with Schedule IV of the Companies Act, 2013 and Rules thereunder, a separate meeting of the Independent Directors was held on 8th February, 2017, inter-alia, to discuss the way forward on review of performance of Non-Independent Directors, Chairperson and the Board as a whole and to assess the information flow between Management and the Board for ensuring effective participation by the Board Members.

In accordance with the provisions of the Companies Act, 2013 read with the Rules framed there under and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Terms and Conditions of the appointment of the Independent Directors are available on the website of the Company:

<http://ausom.in/PDF/POLICY/Formal%20Letter%20of%20Appointment%20of%20Independent%20Director.pdf>

#### Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee has formulated Policy on Nomination & Remuneration cum Board Diversity for selection, appointment and remuneration of

Directors and Senior Management. The said policy also laid down criteria for performance evaluation of the Directors. The relevant extract of the Nomination & Remuneration cum Board Diversity Policy is reproduced below:

**"Criteria for Performance Evaluation"**

Following are the criteria for evaluation of performance of Directors and the Board:

1. Executive Director

The Executive Director shall be evaluated on the basis of targets / criteria given to Executive Director/s by the Board from time to time.

2. Non-Executive Director/Independent Director

The Non-Executive Director/Independent Director shall be evaluated on the basis of the following criteria, i.e. whether they:

- (a) act objectively and constructively while exercising their duties;
- (b) exercise their responsibilities in a bona fide manner in the interest of the company;
- (c) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- (d) do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (e) refrain from any action that would lead to loss of his independence;
- (f) inform the Board immediately when they lose their independence;
- (g) assist the company in implementing the best corporate governance practices;
- (h) strive to attend all meetings of the Board of Directors and the Committees;
- (i) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (j) strive to attend the general meetings of the company;
- (k) keep themselves well informed about the company and the external environment in which it operates;
- (l) do not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (m) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest;
- (n) abide by Company's Memorandum and Articles of Association, Company's policies and procedures including Code of Conduct, Insider trading guidelines etc.
- (o) regularly update their knowledge so as to remain updated on latest amendments of the Acts / Rules / Regulations etc.

The performance evaluation of the individual Director is to be done by all Directors excluding the Director being evaluated and performance evaluation of the Board and its Committees is to be done by the entire board. Based on the same, the Board has reviewed the annual performance evaluation of the individual directors, the Board and its committees.

**Code of Conduct**

The 'Code of Conduct for Senior Management Personnel' and the 'Code of Conduct for Directors' are available on the Company's Website web links:

[http://ausom.in/Code\\_of\\_Conduct\\_AuSom\\_Enterprise\\_Ltd.pdf](http://ausom.in/Code_of_Conduct_AuSom_Enterprise_Ltd.pdf)

All the Board Members and the Senior Management Personnel have affirmed compliance with the 'Code of Conduct' during the Financial Year 2016-2017. A Declaration by the Managing Director to this effect is provided at **Annexure-1** which forms part of this Report.

## 5. Remuneration of Directors

### Remuneration Policy:-

At present, the Managing Director, Mr. Kishor Mandalia is working on honorarium basis and no other directors are getting any remuneration and hence at this point of time the Company does not have any specific remuneration policy for the directors.

However, the Company voluntarily as per the requirements of Section 178(3), Nomination and Remuneration Committee has formulated a remuneration policy for Key Managerial Personnel and the same is annexed at **Annexure-'D'**.

### Details of remuneration to all the Directors:

None of the directors of the Company, during the year has been paid remuneration except sitting fees and hence information in respect of remuneration to directors is not provided/applicable.

The Company is paying Rs. 1000/- per meeting as sitting fees to all Directors for attending Board Meeting. No commission or other benefits are given to any of the Directors. No sitting fees being paid to any directors for attending committee meeting. The details of sitting fees paid during the Financial Year are: -

Name of Directors	Sitting fees in Rs.
Mr. Zaverilal Mandalia	4,000/-
Mr. Kishor Mandalia	4,000/-
Mr. Vipul Mandalia	4,000/-
Mr. Ghanshyambhai Akbari	4,000/-
Mr. Hitesh Adeshara	4,000/-
Mrs. Nirupama Vaghjiani	4,000/-

## 6. Stakeholders' Relationship/Grievance Committee

### Term of Reference

- Oversee and review all matters connected with the transfer of the Company's securities;
- Approve issue of the Company's duplicate share certificates;
- Consider, resolve and monitor redressal of investors' / shareholders' / security holders' grievances related to transfer of securities, non-receipt of Annual Report etc.;
- Oversee the performance of the Company's Registrars and Transfer Agents;
- Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading;
- Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable;
- Perform such other functions as may be necessary or appropriate for the performance of its duties.

### Composition

Name of Director	Category of Directorships	No. of Meetings Attended
Mr. Vipul Mandalia (Chairman of the Committee)	Non-Executive Director/ Promoter	3
Mr. Ghanshyambhai Akbari	Non-Executive Independent Director	3
Mrs. Nirupama Vaghjiani	Non-Executive Independent Director	3

**Compliance Officer**

Mr. Ravikumar Pasi, Company Secretary and Compliance Officer of the Company, is providing secretarial support to the Committee and was also the designated Compliance Officer for such matters.

**Number of Shareholders' Complaints received so far, Number of Complaints not solved to the Satisfaction of shareholders and Number of pending Complaints**

The Company has not received any Complaint during the financial year 2016-17. Even as on the date of this report no complaint is pending.

**Meetings Detail:**

In the financial year 2016-17, the Stakeholder's Relationship Committee met 03 (Three) times during the year.

**7. Corporate Social Responsibility Committee**

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of the Company had constituted a "Corporate Social Responsibility Committee".

**Term of Reference**

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'Corporate Social Responsibility Policy'.

The Committee's constitution meets with the requirements of the Companies Act, 2013.

**Composition**

Name of Director	Category
Mr. Zaverilal Mandalia	Non-Executive Director/ Promoter
Mr. Vipul Mandalia	Non-Executive Director/ Promoter
Mr. Ghanshyambhai Akbari	Non-Executive Independent Director

**Meetings Details:**

In the financial year 2016-17, the Corporate Social Responsibility Committee met on 8th February, 2017 during the year.

**8. Risk Management Committee**
**Term of Reference**

Role and Responsibilities of the Committee includes the following:

- Framing of Risk Management Plan and Policy
- Overseeing implementation of Risk Management Plan and Policy
- Monitoring of Risk Management Plan and Policy
- Validating the process of risk management
- Validating the procedure for Risk Minimization
- Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes
- Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed
- Performing such other functions as may be necessary or appropriate for the performance of its oversight function.

**Composition**

Name of Director	Category
Mr. Vipul Mandalia	Non-Executive Director/ Promoter
Mr. Ghanshyambhai Akbari	Non-Executive Independent Director
Mr. Hitesh Adeshara	Non-Executive Independent Director

**Meetings Details:**

In the financial year 2016-17, the Risk Management Committee did not meet during the year.

**9. General Body Meeting**
**Annual General Meetings**

During the preceding three years, the Company's Annual General Meetings were held at 11-B, New Ahmedabad Industrial Estate, Sarkhej-Bavla Road, Village- Moraiya-382 213. Dist.-Ahmedabad.

The date and time of Annual General Meetings held during last three years, and the special resolution(s) passed thereat, are as follows:

YEAR	DATE AND TIME	SPECIAL RESOLUTION PASSED
2013-2014 30th AGM	29-09-2014 (10:30 a.m.)	1. Borrowing Powers of the Board u/s. 180(1)(c)- passing fresh Resolution as per Companies Act, 2013 requirements. 2. Providing security u/s 180(1)(a) of the Companies Act, 2013 in connection with the borrowings of the Company.
2014-2015 31st AGM	29-09-2015 (10:30 a.m.)	1. Re-appointment Mr. Kishor P. Mandalia as Managing Director 2. Related Parties Transactions
2015-2016 32nd AGM	29-09-2016 (10:30 a.m.)	No Special Resolution was passed in the meeting

No Special Resolution was passed through postal ballot last year. Also, no Special Resolution are proposed to be conducted through postal ballot.

**10. Means of Communication**

Financial Results of the Company are published in the following newspapers:

Period	Date of approval by the Board	Date of Publication	Newspapers
Unaudited Financial Results for 1 <sup>st</sup> Quarter ended on 30.06.2016	10th August, 2016	11th August, 2016	Jaihind - (Gujarati) Business Standards- (English)
Unaudited Financial Results for 2 <sup>nd</sup> Quarter ended on 30.09.2016	10th November, 2016	11th November, 2016	The Financial Express - (Gujarati) The Indian Express - (English)
Unaudited Financial Results for 3 <sup>rd</sup> Quarter ended on 31.12.2016	8th February, 2017	9th February, 2017	The Financial Express - (Gujarati) The Indian Express - (English)
Audited Financial Results for 4 <sup>th</sup> Quarter and for the year ended on 31.03.2017	29th May, 2017	30th May, 2017	The Financial Express - (Gujarati) The Indian Express - (English)

**Quarterly / Yearly results:** Quarterly /Yearly financial results were placed on Company's website [www.ausom.in](http://www.ausom.in).

**Website:** The Company's has its own website [www.ausom.in](http://www.ausom.in) where all the information relating to shareholders and Quarterly /Yearly financial results were also available.

**Official news releases:** No official news released during the year.

**Presentation made to institutional investors or to the analysts:** No presentation was made to institutional investors or to the analyst.

**Annual Report:** The Annual Report containing, *interalia*, Audited Financial Statement, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto.

**NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web-based application designed by NSE for corporates. All periodical compliances, filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

**BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

**SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by company and online viewing by investors of actions taken on the complaint and its current status.

#### 11. GENERAL INFORMATION FOR SHAREHOLDER

1.	<b>Financial Year of the Company</b>	:	1st April, 2016 to 31st March, 2017
2.	<b>Day, Date and Time of 33rd AGM</b>	:	Thursday, the 28 <sup>th</sup> September, 2017 at 10.30 a.m.
3.	<b>Venue of AGM</b>	:	At the Registered Office of the Company situated at:  11-B, New Ahmedabad Industrial Estate, Sarkhej-Bavla Road, Village-Moraiya-382 213. Dist.- Ahmedabad. Gujarat. India
4.	<b>Dates of Book Closure</b>	:	Saturday, the 23rd September, 2017 to Thursday, the 28th September, 2017 (Both days inclusive)
5.	<b>Dividend payment date</b>	:	No Applicable
6.	<b>Listing on Stock Exchanges</b>	:	<b>BSE Ltd.</b> Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001. (Scrip Code : 509009) (Scrip ID : AUSOMENT)  <b>National Stock Exchange of India Ltd.</b> “Exchange Plaza” Bandra-Kurla Complex, Bandra (East) Mumbai: 400 051. (Scrip Symbol : AUSOMENT)
7.	<b>Annual Listing Fees</b>	:	The Company has paid Annual Listing Fees for the Financial Years 2017-18 to BSE Ltd. and National Stock Exchange of India Ltd.



<b>8.</b>	<b>Payment of Depository Fees</b>		Annual custody fee and custodial fee for the financial year 2016-17 and 2017-18 has paid to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
<b>9.</b>	<b>Company's ISIN No. with NSDL &amp; CDSL</b>	:	INE218C01016
<b>10.</b>	<b>No. of Employees</b>	:	3 (Three)
<b>11.</b>	<b>Stock Market Data</b>	:	Monthly high and low market price and the volume of shares traded at the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. are as follows.

**Market Price Data:**

The data on price of equity shares of the Company are as under:

Monthly high and low prices of equity shares of the Company quoted during each month in last financial year at BSE and NSE.

Month	Share Price BSE		Volumes (BSE)	Share Price NSE		Volumes (NSE)
	High Value (Rs.)	Low Value (Rs.)	No of Shares	High Value (Rs.)	Low Value (Rs.)	No of Shares
Apr-16	26.50	19.45	6,554	24.95	19.85	7,967
May-16	24.95	19.65	15,866	25.00	19.95	12,222
Jun-16	24.00	20.95	8,240	24.95	22.30	923
Jul-16	23.90	20.75	2,200	23.00	19.00	24,597
Aug-16	23.46	19.00	13,987	20.80	18.15	13,876
Sep-16	22.95	18.00	18,338	22.55	18.00	18,422
Oct-16	25.20	18.65	23,654	25.50	18.00	25,785
Nov-16	25.60	19.40	9,986	26.80	21.25	24,565
Dec-16	38.25	23.05	48,075	37.05	22.55	1,93,761
Jan-17	29.95	23.50	26,078	30.30	23.65	54,714
Feb-17	31.00	25.20	27,352	30.25	24.60	48,361
Mar-17	30.95	24.70	1,01,04,119	30.05	24.30	43,501

**Registrar and Transfer Agents**

The Company has appointed M/s. Link Intime India Private Limited for Share Transfers, dematerialization of shares and all other investors related activities as attended and processed at the office of the Registrars and Share Transfer Agents at the following address:

**M/S. LINKINTIME INDIA PRIVATE LIMITED**

5th Floor, 506 to 508, Amarnath Business Center -I (ABC-I),  
Beside Gala Business Center, Nr. St. Xavier's College Corner,  
Off C.G. Road, Navrangpura, Ahmedabad - 380 009.

Tel.: +91 79 26465179 Fax: +91 79 26465179

Email: ahmedabad@linkintime.co.in

Website: www.linkintime.co.in

**Share Transfer System**

Share transfer would be registered and returned within a period of 15 (Fifteen) days from the date of receipt. The Stakeholders Relationship Committee meets on 10/15 days gap depending upon number of transfers received.

Pursuant to Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchanges, certificates, on half yearly basis have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Pursuant to Regulation 55A of SEBI (Depositories and Participants) Regulation, 1996, certificates have been received from a Company Secretary-in-Practice for timely dematerialisation of shares and for reconciliation of the share capital of the Company on a quarterly basis.

**Distribution of Shareholding (AS ON 31-03-2017)**

No. of Equity Shares held	No. of Shareholders	%	No. of Shares	%
Up to 500	5077	83.42	858059	6.30
501 – 1000	645	10.60	470306	3.45
1001 – 2000	171	2.81	245184	1.80
2001 – 3000	70	1.15	182517	1.34
3001 – 4000	24	0.39	85179	0.63
4001 – 5000	29	0.48	137917	1.01
5001 – 10000	40	0.66	273511	2.01
10001 & above	30	0.49	11370879	83.46
<b>Grand Total</b>	<b>6086</b>	<b>100.00</b>	<b>13623552</b>	<b>100.00</b>

**Dematerialisation of Shares and Liquidity**

The Company has entered into an agreement with both depositories i.e. NSDL and CDSL so that the shareholders of the Company could avail the benefit of multi depository system.

MODE OF HOLDING	NO. OF SHARES (UP TO 31.03.2017)	% (PERCENTAGE) (UP TO 31.03.2017)
NSDL	12028584	88.29%
CDSL	619795	4.55%
Physical	975173	7.16%
<b>TOTAL</b>	<b>13623552</b>	<b>100.00%</b>

**Outstanding Global depository Receipts/American depository Receipts/Warrants or any Convertible Instruments, Conversion date and likely impact on equity:** Not Applicable

**Commodity price risk or foreign exchange risk and hedging activities:** Not Applicable

**Plant Locations:** As the Company is only engaged in trading activity, it does not have any plant.

**Correspondence may be address to: -**

Mr. Ravikumar Pasi,  
 Company Secretary & Compliance Officer  
 Secretarial Department,  
 606, 'Swagat', Nr. Lal Bunglow,  
 C.G. Road, Ahmedabad – 380 006, Gujarat  
 Phone No.: - 079 – 26421422-99 Fax No.: - 079 – 26569898  
 Email Id: - investorcomplaints@gmail.com  
 Website: - www.ausom.in

**12. Other Disclosures****Disclosure on materially significant related party transaction, that may have potential conflict with the interest of the Company at large:**

During the financial year 2016-2017, there were no transactions of material nature with the Directors, Key Managerial Personnel and management or with their relatives that had potential conflict with the interest of the company. The policy on Material Related Party Transactions is available on the website of the Company:

<http://ausom.in/PDF/POLICY/Material%20Related%20Party%20Transaction%20Policy.pdf>

**Details of non-compliance by the Company, penalties, strictures imposed by the stock exchanges/ SEBI or any statutory authority, on matter related to capital markets, during the last three years :- None****Vigil Mechanism/ Whistle Blower Policy**

In accordance with requirement of Section 177 Companies Act, 2013 as well as Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a vigil mechanism/ Whistle Blower Policy has been adopted by the Board of Directors and accordingly a whistle blower policy has been formulated with a view to provide a mechanism for employees of the company to approach Internal Auditor or Chairman of the Audit Committee of the Company to report any grievance. The said Whistle Blower Policy is annexed at **Annexure –'G'** of Board Reports and the same is also available on web-link:

<http://ausom.in/PDF/POLICY/Vigil%20Mechanism%20Policy%20&%20Whistle%20Blower%20Policy.pdf>

We affirm that the Company has not denied to any employee access to the Audit Committee.

**Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements:**

The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Corporate Governance. Regarding Non- mandatory requirements, the same will be adopted by the Company in due course of time.

**Web link where policy for determining "material" subsidiaries is disclosed:**

The Company does not have any subsidiary including material subsidiary Company.

**Disclosure of commodity price risks and commodity hedging activities: Not Applicable****There has been no instance of non-compliance of any requirements of Corporate Governance Report.****Compliance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

The Company complied with the mandatory requirements of Corporate Governance as specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Disclosure with respect/ unclaimed suspense account: Not Applicable**

**CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATE:**

In accordance with the requirements of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Kishor Mandalia, Managing Director/CEO and Mr. Rupesh Shah, CFO of the Company, have certified on annual compliance of financial reporting and internal control to the Board to the best of their knowledge and belief. Certificate attached at **Annexure -'2'**.

**Annexure -'1'**

**CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT**

As per the terms of Para D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel affirmation that they have complied with the Code of Conduct for the financial year 2016-17.

**For AuSom Enterprise Limited**

Place: Ahmedabad  
Date: 10th August, 2017

**Kishor Mandalia  
Managing Director**

To,  
The Board of Directors,  
AuSom Enterprise Limited,  
Ahmedabad

**CEO and CFO Certification**

We, Kishor Mandalia, Managing Director/CEO and Rupesh Shah, Chief Financial Officer of AuSom Enterprise Limited, to the best of our knowledge and belief, hereby certify that:

1. We have reviewed the Financial Statement of AUSOM ENTERPRISE LIMITED for the year ended 31st March, 2017 and that to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii. These statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed, to the auditors and the Audit Committee, wherever applicable, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee of the Company that:
  - i. There are no significant changes in internal control over financial reporting during the year;
  - ii. There are no significant changes in accounting policies during the year; and
  - iii. There are no instances of significant fraud of which we have become aware.

**Kishor Mandalia**  
**Managing Director/CEO**

**Rupesh Shah**  
**Chief Financial Officer**

**Place: Ahmedabad**  
**Date: 10th August, 2017**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****(A) INDUSTRY STRUCTURE AND DEVELOPMENTS:**

Since last eight years, after demerger, the Company at present is engaged in one segment activity i.e. trading of commodities, bullions, gold jewellery, shares & securities, units of mutual funds, diamonds and derivative transactions etc. Being very ancient in its nature, the trading industry is well organized in all respect. During the last decade, establishment of exchanges for such trading activities has also contributed in making trading more organized and transparent.

**(B) OPPORTUNITIES AND THREATS****(1) Opportunities**

- The Company is totally debt-free and now being run by well experienced promoters with having two decades of insightful knowledge of this industry.
- Trading activities has turned out to be fruitful and there is a good scope of future growth and profitability.
- Experienced people in the field of commodities/bullions trading will manage the trading activities.

**(2) Threats**

- Foreign currency fluctuation, more particularly, dollar and pound.
- Volatility in Commodities and trading markets.

**(C) SEGMENT WISE PERFORMANCE OR PRODUCT WISE PERFORMANCE**

The Company is engaged in one segment activity, hence segment wise performance is not required. The activities, which the Company has started from last eight years emerging as very potential, growing and profitable. In the current year also the Company has achieved good turnover and good profit.

**(D) OUTLOOK**

The trading industry has grown in all respects and has shown very good potential. Under the globalization, the trading activity has more scope internationally and is growing manifold. Even after establishing NCDEX and MCX, various new platforms for F & O contracts will emerge in near future.

**(E) RISK AND AREA OF CONCERNS**

- The trading business is a new line of business for the Company.
- There may be volatility in the trading market.

**(F) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has adequate internal control procedures commensurate with the size and nature of business. These procedures ensure efficient use and protection of the resources and compliance with policies, procedures and statutes. There is a periodical review mechanism for ensuring the sustenance and up-gradation of these systems.

**(G) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.**

During the current year the Company has generated revenue of Rs. 295.79 Cr from trading activity with a profit of Rs. 5.45 Cr. (PAT).

**(H) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES**

Recognizing that people are an important part of the organization, a major exercise in training and development of employees has been undertaken at all levels. The Company gives a lot of importance to Human Resource activities. These activities have helped to retain and motivate employees of the Company.

**(I) CAUTIONARY STATEMENT**

Estimates and expectations stated in this Management Discussion and Analysis may be “forward-looking statement” within the meaning of applicable securities, laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to your Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and international markets, changes in the Government regulations, tax laws, other statutes and other incidental factors.

**For AuSom Enterprise Limited**

**Place: Ahmedabad**  
**Date: 10th August, 2017**

**Kishor Mandalia**  
**Managing Director**

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

- 1) A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

The Company has framed a CSR policy in compliance with the provisions of the Companies Act, 2013 read with Rules framed thereunder.

The CSR policy inter alia covered the area in respect of promotion of education, health care etc. and the same is available on web-link:

<http://ausom.in/PDF/POLICY/CORPORATE%20SOCIAL%20RESPONSIBILITY%20POLICY.pdf>

- 2) Composition of CSR committee: Mr. Zaverilal V. Mandalia,  
Mr. Vipul Z. Mandalia  
Mr. Ghanshyambhai Akbari
- 3) Average net profit of the company for last three financial years: Rs. 13,62,59,656/-
- 4) Prescribed CSR Expenditure ( Two percent of the amount as in item 3 above): Rs. 27,25,193/-
- 5) Details of CSR spend for the financial year :
- a) Total amount spent for the financial year : Nil
- b) Amount unspent if any : Rs. 27,25,193/-
- c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	Projects / Activities	Sector	Locations	Amount Outlay (Budget) project or Programme wise	Amount Spent on the Project or Programme	Cumulative expenditure upto reporting period	Amount spent: Direct or through implementing agency
1				Nil			

- 6) In case the company has failed to spend the two percent of the average net profit of the last three financial year or any part thereof, the company shall provide the reason for not spending the amount in Board's Report.

The amount required to be spent on CSR activities during the year under report in accordance with the provision of Section 135 of the Companies Act, 2013 was Rs. 27.25 Lacs whereas the Company for the year under consideration did not spend any amount towards CSR activities *mainly due to the reason that the Company could not identify the appropriate activities falls under Schedule VII and CSR policy.* The Company will identify such activity in and around the registered office and accordingly will spend.

- 7) A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

The CSR Committee confirms that the implementation and monitoring of the CSR policy is in compliance with CSR objectives and policy of the Company.



**NOMINATION AND REMUNERATION POLICY****INTRODUCTION**

In accordance with Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee has formulated Remuneration Policy ("the policy").

The objective of the policy is to ensure that Executive Directors and other employees are sufficiently compensated for their performance. The Policy seeks to provide criteria for determining qualifications, positive attributes and independence of a director.

**APPLICABILITY**

The policy shall be applicable to

**a) Key Managerial Personnel, which means;**

- i. Chief Executive officer and/or Managing Directors
- ii. Whole Time Director
- iii. Chief Financial Officer
- iv. Company Secretary, and such other person as may be prescribed

**b) Independent Director, which means**

A director referred to in the Section 149(6) of the Companies Act, 2013.

**c) Senior Management, which means**

Personnel of the Company who are members of its core management team excluding Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

**ROLE OF THE COMMITTEE**

1. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
2. Recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and senior management personnel or other employees.
3. Formulation of criteria for evaluation of Independent Directors and Board.
4. Recommendation to Board, appointment and removal of Directors, Key managerial and Senior Management personnel.
5. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.

**CRITERIA FOR BOARD MEMBERSHIP****DIRECTORS**

The Company shall take into account following points:

- Director must have relevant experience in Finance/ Law/ Management/ Sales/ Marketing/ Administration/ Research/ Corporate Governance/ Technical Operations or the other disciplines related to Company's business.
- Director should possess the highest personal and professional ethics, integrity and values.
- Director must be willing to devote sufficient time and energy in carrying out their duties and responsibilities.

**INDEPENDENT DIRECTOR**

Independent Director is a director who has no direct or indirect material relationship with the company or any of its officers, other than as a director or shareholder of the company.

Independent Director shall meet all criteria specified in Section 149 (6) of the Companies Act, 2013 and rules made there under and Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**TERM/TENURE**

The Term/Tenure of the Independent Directors, Key Managerial Personnel shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time.

**REMUNERATION POLICY****DIRECTORS**

Nomination and Remuneration Committee shall recommend the remuneration, including the commission based on the net profits of the Company for the Non-Executive Directors and Whole-time Director and other Executive Directors. This will be then approved by the Board and shareholders. Prior approval of shareholders by way of special resolution will be obtained wherever applicable in case of remuneration to non-executive directors.

Independent Non-Executive Directors are appointed for their professional expertise in their individual capacity as Independent Personnel/ Business Executives. Independent Non- Executive Directors receive sitting fees for attending the meeting of the Board and Board Committees. No commission is being paid to them.

**KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

The remuneration of employees largely consists of basic salary, perquisites, allowances and performance incentives. Perquisites and retirement benefits are paid according to the Company policy, subject to prescribed statutory ceiling.

The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience / merits, performance of each employee. The Company while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the Company.

The annual variable pay of managers is linked to the performance of the Company in general and their individual performance for the relevant year measured against Company's objectives fixed in the beginning of the year.

**AMENDMENT TO THE POLICY**

The Board of Directors on its own and /or as per recommendations of Nomination and Remuneration Committee can amend this policy, as when deemed fit.

**ANNUAL RETURN**
**Form No. MGT-9 (Extract of annual return as on F.Y. ended on 31/03/2017)**
**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**
**I. REGISTRATION AND OTHER DETAILS**

i)	Corporate Identification Number	L67190GJ1984PLC006746
ii)	Registration Date	15/02/1984
iii)	Name of the Company	AUSOM ENTERPRISE LIMITED
iv)	Category / Sub-Category of the Company	COMPANY LIMITED BY SHARES / INDIAN NON-GOVERNMENT COMPANY
v)	Address of the Registered office and contact details	11-B, NEW AHMEDABAD INDUSTRIAL ESTATE, SARKHEJ BAVLA ROAD, VILLAGE MORAIYA 382213 GUJARAT. INDIA Tel: +91 79 2642 1422-1499 Fax: +91 79 2656 9898
vi)	Whether listed company	YES BSE LIMITED AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	LINK INTIME INDIA PVT. LTD. 5TH FLOOR, 506 TO 508, AMARNATH BUSINESS CENTER -L (ABC-I), BESIDE GALA BUSINESS CENTER, NR. ST. XAVIER'S COLLEGE CORNER, OFF C.G. ROAD, NAVRANGPURA, AHMEDABAD- 380 009. (ADDRESS CHANGED W.E.F. 25 <sup>TH</sup> DECEMBER, 2016) CONTACT NO.: 079-26465179

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of Main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1.	Bullion	Group. 464 (Sub-class: 46498) –Wholesale of precious metals and jewellery.	81.77%
2.	Shares, Securities & Units of Mutual Funds	Group. 661- Activities auxiliary to financial service activities, except insurance and pension funding	18.23%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable section
NOT APPLICABLE					

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the Beginning of the year (01/04/2016)				No. of Shares held at the end of the year (31/03/2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	10040000	0	10040000	73.70	10038992	0	10038992	73.69	(0.01)
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (1):-</b>	<b>10040000</b>	<b>0</b>	<b>10040000</b>	<b>73.70</b>	<b>10038992</b>	<b>0</b>	<b>10038992</b>	<b>73.69</b>	<b>(0.01)</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0	0.00
e) Any Other....	0	0	0	0.00	0	0	0	0	0.00
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)( 2)</b>	<b>10040000</b>	<b>0</b>	<b>10040000</b>	<b>73.70</b>	<b>10038992</b>	<b>0</b>	<b>10038992</b>	<b>73.69</b>	<b>(0.01)</b>

<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0.00
b) Banks / FI	0	0	0	0	0	0	0	0	0.00
c) Central Govt	200	0	200	0.0015	200	0	200	0.0015	0.00
d) State Govt(s)	0	0	0	0	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
g) FIs	0	0	0	0	0	0	0	0	0.00
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i) Others (specify)	0	0	0	0	0	0	0	0	0.00
<b>Sub-total (B)(1):-</b>	<b>200</b>	<b>0</b>	<b>200</b>	<b>0.0015</b>	<b>200</b>	<b>0</b>	<b>200</b>	<b>0.0015</b>	<b>0.00</b>
<b>2. Non Institutions</b>									
a) Bodies Corp.									
i) Indian	33165	20800	53965	0.40	14010	20800	34810	0.26	(0.14)
ii) Overseas	0	0	0	0.00	0	0	0	0	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1216258	937179	2153437	15.81	1167697	933729	2101420	15.42	(0.38)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1186429	11050	1197479	8.79	1226983	11050	1238033	9.09	0.30

c) Others (specify)									
i) Hindu Undivided Family	147930	0	147930	1.09	153454	0	153454	1.13	0.04
ii) Clearing Member	10616	0	10616	0.08	35735	0	35735	0.26	0.18
iii) Non Resident Indians (REPAT)	3776	0	3776	0.03	2648	0	2648	0.02	(0.01)
iv) Non Resident Indians (NON REPAT)	6549	9600	16149	0.12	6660	9600	16260	0.12	(0.00)
<b>Sub-total (B)(2):-</b>	<b>2604723</b>	<b>978629</b>	<b>3583352</b>	<b>26.30</b>	<b>2607187</b>	<b>975173</b>	<b>3582360</b>	<b>26.31</b>	<b>0.01</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>2604923</b>	<b>978629</b>	<b>3583552</b>	<b>26.30</b>	<b>2607387</b>	<b>975173</b>	<b>3582560</b>	<b>26.31</b>	<b>0.01</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>12644923</b>	<b>978629</b>	<b>13623552</b>	<b>100.00</b>	<b>12648379</b>	<b>975173</b>	<b>13623552</b>	<b>100.00</b>	<b>0.00</b>

**ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01/04/2016)			Shareholding at the end of the year (31/03/2017) #Refer Note 1			% Change in shareholding during the year
		No. of Shares	% of total Shares of Company	% of Shares Pledge/ encumbered	No. of Shares	% of total Shares of Company	% of Shares Pledge/ encumbered	
1	SAVITRI DAYARAM PAWANI	5020000	36.85	0.00	5020000	36.85	0.00	0.00
2	KISHOR PRANJIVANDAS MANDALIA	1189102	8.73	0.00	1189102	8.73	0.00	0.00
3	DAXABEN BHARATBHAI MANDALIA	890572	6.54	0.00	890572	6.54	0.00	0.00
4	VIPULKUMAR ZAVERILAL MANDALIA	836420	6.14	0.00	836420	6.14	0.00	0.00
5	ZAVERILAL VIRJIBHAI MANDALIA	804547	5.91	0.00	804547	5.91	0.00	0.00
6	CHANDRESH ZAVERILAL MANDALIA	797647	5.85	0.00	797647	5.85	0.00	0.00
7	BHARAT PRANJIVANDAS MANDALIA	364693	2.68	0.00	364693	2.68	0.00	0.00
8	ARUNABEN KISHORBHAI MANDALIA	65829	0.48	0.00	65829	0.48	0.00	0.00
9	FENNYBEN CHANDRESHBHAI MANDALIA	38883	0.29	0.00	37875	0.28	0.00	(0.01)
10	PRAFULLABEN ZAVERILAL MANDALIA	32307	0.24	0.00	32307	0.24	0.00	0.00
	<b>TOTAL</b>	<b>10040000</b>	<b>73.70</b>	<b>0.00</b>	<b>10038992</b>	<b>73.69</b>	<b>0.00</b>	<b>(0.01)</b>

**iii) Change in Promoters' Shareholding (please specify, if there is no change):**

Sr. No.	Name	Shareholding at the beginning of the year		Date	Increase / Decrease in shareholding	Reason#	Cumulative Shareholding during the year	
		No. of shares at beginning (01-04-16) / end of the year (31-03-17)	% of total shares of the company				No. of shares	% of total shares of the company
1.	SAVITRI DAYARAM PAWANI	5020000	36.85	1-Apr-2016				
				30-Mar-2017	(5019000)	Refer Note: 1		
				31-Mar-2017	5019000			
		5020000	36.85	31-Mar-2017			5020000	36.85
2.	KISHOR PRANJIVANDAS MANDALIA	1189102	8.73	1-Apr-2016				
				30-Mar-2017	1188102	Refer Note: 1		
				31-Mar-2017	(1188102)			
		1189102	8.73	31-Mar-2017			1189102	8.73
3.	DAXABEN BHARATBHAI MANDALIA	890572	6.54	1-Apr-2016				
				30-Mar-2017	890572	Refer Note: 1		
				31-Mar-2017	(890572)			
		890572	6.54	31-Mar-2017			890572	6.54
4.	VIPULKUMAR ZAVERILAL MANDALIA	836420	6.14	1-Apr-2016				
				30-Mar-2017	836420	Refer Note: 1		
				31-Mar-2017	(836420)			
		836420	6.14	31-Mar-2017			836420	6.14
5.	ZAVERILAL VIRJIBHAI MANDALIA	804547	5.91	1-Apr-2016				
				30-Mar-2017	804547	Refer Note: 1		
				31-Mar-2017	(804547)			
		804547	5.91	31-Mar-2017			804547	5.91
6.	CHANDRESH ZAVERILAL MANDALIA	797647	5.85	1-Apr-2016				
				30-Mar-2017	797647	Refer Note: 1		
				31-Mar-2017	(797647)			
		797647	5.85	31-Mar-2017			797647	5.85
7.	BHARAT PRANJIVANDAS MANDALIA	364693	2.68	1-Apr-2016				
				30-Mar-2017	364693	Refer Note: 1		
				31-Mar-2017	(364693)			
		364693	2.68	31-Mar-2017			364693	2.68
8.	ARUNABEN KISHORBHAI MANDALIA	65829	0.48	1-Apr-2016				
				30-Mar-2017	65829	Refer Note: 1		
				31-Mar-2017	(65829)			
		65829	0.48	31-Mar-2017			65829	0.48
9.	FENNYBEN CHANDRESHBHAI MANDALIA	38883	0.29	1-Apr-2016				
				30-Mar-2017	37875	Refer Note: 1		
				31-Mar-2017	(38883)			
		37875	0.28	31-Mar-2017			37875	0.28
10.	PRAFULLABEN ZAVERILAL MANDALIA	32307	0.24	1-Apr-2016				
				30-Mar-2017	32307	Refer Note: 1		
				31-Mar-2017	(32307)			
		32307	0.24	31-Mar-2017			32307	0.24

**#Note: 1:**

There were inter se transfer of shares amongst the promoters as per Regulation 10 (1) (a) of SAST on 30<sup>th</sup> March 2017 and 31<sup>st</sup> March 2017. The details of such transactions are, on 30<sup>th</sup> March 2017 Mrs. Savitri Dayaram Pawani sold 50,19,000 equity shares and the said shares were acquired by other promoters i.e. 50,17,992 namely Mr. Kishor Pranjivandas Mandalia (11,88,102), Mrs. Daxaben Bharatbhai Mandalia (8,90,572), Mr. Vipulkumar Zaverilal Mandalia (8,36,420), Mr. Zaverilal V. Mandalia (8,04,547), Mr. Chandresh Z. Mandalia (7,97,647), Mr. Bharat Pranjivandas Mandalia (3,64,693), Mrs. Arunaben Kishorbhai Mandalia (65,829), Mrs. Fennyben C. Mandalia (37,875) and Mrs. Prafullaben Z. Mandalia (32,307). Similarly on 31<sup>st</sup> March 2017 Mrs. Savitri Dayaram Pawani acquired 50,19,000 equity shares from other Promoters namely Mr. Kishor Pranjivandas Mandalia (11,88,102), Mrs. Daxaben Bharatbhai Mandalia (8,90,572), Mr. Vipulkumar Zaverilal Mandalia (8,36,420), Mr. Zaverilal V. Mandalia (8,04,547), Mr. Chandresh Z. Mandalia (7,97,647), Mr. Bharat Pranjivandas Mandalia (3,64,693), Mrs. Arunaben Kishorbhai Mandalia (65,829), Mrs. Fennyben C. Mandalia (38,883) and Mrs. Prafullaben Z. Mandalia (32,307).

As a results as on 31<sup>st</sup> March 2017, these shares were under clearing with Kifs Trade Capital Private Limited and Ventura Securities Limited.

**iv) Shareholding Pattern of top ten Shareholders :- (other than Directors, Promoters and Holders of GDRs and ADRs)**

Sr. No	Name	Shareholding at the beginning of the year		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year			
		No. of shares at beginning (01-04-16) / end of the year (31-03-17)	% of total shares of the company				No. of shares	% of total shares of the company		
1.	Minesh Madhusudan Soni	520947	3.8239	1-Apr-2016	0	Nil Movement during the year	520947	3.8239		
		520947	3.8239	31-Mar-2017						
2.	Pravin Dipchand Majithia	159600	1.1715	1-Apr-2016	0	Nil Movement during the year	159600	1.1715		
		159600	1.1715	31-Mar-2017						
3.	Vinod H. Didwania	101000	0.7414	1-Apr-2016	(3000)	Sale	98000	0.7193		
		98000	0.7193	30-Mar-2017 31-Mar-2017						
4.	Vinay Kankaria	73926	0.5426	1-Apr-2016	0	Nil Movement during the year	73926	0.5426		
		73926	0.5426	31-Mar-2017						
5.	Ram Niranjana Seksaria	50000	0.3670	1-Apr-2016	0	Nil Movement during the year	50000	0.3970		
		50000	0.3670	31-Mar-2017						
6.	Vaishali Shah	35205	0.2584	1-Apr-2016			43380	0.3184		
				22-Apr-2016	100	Purchase			35205	0.2591
				20-May-2016	5586	Purchase			40891	0.3001
				27-May-2016	711	Purchase			41602	0.3054
				03-Jun-2016	2603	Purchase			44205	0.3245
				19-Aug-2016	573	Purchase			44778	0.3287
				26-Aug-2016	340	Purchase			45118	0.3312
				9-Sep-2016	676	Purchase			45794	0.3361
				16-Sep-2016	2344	Purchase			48138	0.3533
				23-Sep-2016	1742	Purchase			49880	0.3661
31-Mar-2017	(6500)	Sale	43380	0.3184						



7.	J Inderchand	35982	0.2641	1-Apr-2016	0	Nil Movement during the year	35982	0.2641
		35982	0.2641	31-Mar-2017				
8.	Vinay Kankaria (HUF)	31614	0.2321	1-Apr-2016	0	Nil Movement during the year	34614	0.2321
		31614	0.2321	31-Mar-2017				
9.	Bimal Pravinkumar Shah	30116	0.2211	1-Apr-2016	0	Nil Movement during the year	30116	0.2211
		30116	0.2211	31-Mar-2017				
10.	Charu Ajay Shah	25000	0.1835	1-Apr-2016	0	Nil Movement during the year	25000	0.1835
		25000	0.1835	31-Mar-2017				

**v) Shareholding of Directors and Key Managerial Personnel**

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
<b>A DIRECTORS</b>								
1	Kishor Pranjivandas Mandalia Managing Director And Chief Executive Officer	1189102	8.73	01-Apr-2016	0	Movement during the year/ No Change	1189102	8.73
		1189102	8.73	31-Mar-2017				
2	Zaverilal Virjibhai Mandalia Chairman/ Non Executive Director	804547	5.91	01-Apr-2016	0	Movement during the year/ No Change	804547	5.91
		804547	5.91	31-Mar-2017				
3	Vipul Zaverilal Mandalia Non-Executive Director	836420	6.14	01-Apr-2016	0	Movement during the year/ No Change	836420	6.14
		836420	6.14	31-Mar-2017				
4	Ghanshyambhai Bhikhabhai Akbari Non-Executive Director & Independent Director	0	0.00	01-Apr-2016	0	Nil Holding/ movement during the year	0	0.00
		0	0.00	31-Mar-2017				
5	Hitesh Bhogilal Adeshara Non-Executive Director & Independent Director	0	0.00	01-Apr-2016	0	Nil Holding/ movement during the year	0	0.00
		0	0.00	31-Mar-2017				
6	Nirupama Hasmushrai Vaghjiani Non-Executive Director & Independent Director	0	0.00	01-Apr-2016	0	Nil Holding/ movement during the year	0	0.00
		0	0.00	31-Mar-2017				
<b>B KEY MENAGERIAL PERSONNEL (KMP'S)</b>								
1	Ravikumar Pasi Company Secretary and Compliance Officer	0	0.00	01-Apr-2016	0	Nil Holding/ movement during the year	0	0.00
		0	0.00	31-Mar-2017				
2	Rupesh Shah Chief Financial Officer	0	0.00	01-Apr-2016	0	Nil Holding/ movement during the year	0	0.00
		0	0.00	31-Mar-2017				

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i). Principal Amount	16,84,21,443	Nil	Nil	16,84,21,443
ii). Interest due but not paid	Nil	Nil	Nil	Nil
iii). Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i +ii+iii)</b>	Nil	Nil	Nil	Nil
<b>Change in Indebtedness during the financial year</b>				
• Addition	2,11,23,025	Nil	Nil	2,11,23,025
• Reduction	Nil	Nil	Nil	Nil
<b>Net Change</b>	Nil	Nil	Nil	Nil
<b>Indebtedness at the end of the financial year</b>				
i). Principal Amount	18,95,44,468	Nil	Nil	18,95,44,468
ii). Interest due but not paid	Nil	Nil	Nil	Nil
iii). Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total ( i+ii+iii)</b>	18,95,44,468	Nil	Nil	18,95,44,468

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Kishor P. Mandalia (MD)	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	0	0
2.	Stock Option	0	0
3.	Sweat Equity	0	0
4.	Commission - as % of profit - others, specify...	0	0
5.	Others, please specify –	0	0
	Total (A)	0	0
	Ceiling as per the Act	(being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)	

**B. Remuneration to other directors:**

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Zaverilal V. Mandalia	Mr. Vipul Z. Mandalia	Mr. Ghanshyambhai B. Akbari	Mr. Hitesh B. Adeshara	Mrs. Nirupama H. Vaghjiani	
1.	Independent Directors						
	• Fee for attending board / committee meetings	---	---	4000	4000	4000	12000
	• Commission	---	---	0	0	0	0
	• Others, please specify	---	---	0	0	0	0
	<b>Total (1)</b>	---	---	4000	4000	4000	12000
2.	Other Non-Executive Directors						
	• Fee for attending board / committee meetings	4000	4000	---	---	---	8000
	• Commission	0	0	---	---	---	0
	• Others, please specify	0	0	---	---	---	0
	<b>Total (2)</b>	4000	4000	---	---	---	8000
	<b>Total (B)=(1+2)</b>	4000	4000	4000	4000	4000	20000
	<b>Total Managerial Remuneration*</b>						
	<b>Overall Ceiling as per the Act</b>	<b>(being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)</b>					

\* Total remuneration to Managing Director, Whole-Time Directors and other Directors (being the total of A and B)

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary (Ravikumar Pasi)	CFO (Rupesh Shah)	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	3,74,121	5,46,930	9,21,051
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission - as % of profit - others, specify...	0	0	0	0
5.	Others, please specify	0	0	0	0
	<b>Total</b>	0	3,74,121	5,46,930	9,21,051

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (Give Details)
<b>A. <u>Company</u></b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. <u>Director</u></b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. <u>Other Officers in Default</u></b>					
Penalty			NIL		
Punishment					
Compounding					

For AuSom Enterprise Limited  
For and on behalf of the Board of Directors,

Place: Ahmedabad  
Date: 10th August, 2017

Kishor P. Mandalia  
Managing Director  
Din: 00126209

Vipul Z. Mandalia  
Director  
Din: 02327708

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2017**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members  
**AUSOM ENTERPRISE LIMITED**  
**CIN: L67190GJ1984PLC006746**  
11-B, New Ahmedabad Industrial Estate,  
Sarkhej Bavla Road,  
Village: Moraiya,  
Ahmedabad -382213  
Gujarat

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Ausom Enterprise Limited ("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 **31<sup>st</sup> March, 2017**, complied with the statutory provisions 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 the Company for the Financial Year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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 during the audit period**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - **Not applicable during the Audit Period**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - **Not applicable during the Audit Period**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not applicable during the Audit Period**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - **Not applicable during the Audit Period**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not applicable during the Audit Period**

(vi) **Other applicable laws:** Based on the information provided and the representation made by the Company and its officers and also on the review of the compliance reports taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes exist in the Company to monitor and ensure compliances under other applicable Acts, Laws and Regulations as applicable to the Company namely :

- (i) The Employees Provident Fund and Miscellaneous Provisions Act, 1952;
- (ii) The Minimum Wages Act, 1948;
- (iii) The Payment of Bonus Act, 1965;
- (iv) The Payment of Gratuity Act, 1972;
- (v) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013;

We have also examined the compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except as provided below:

- *The Company has complied with the provisions of Section 135 of the Companies Act, 2013 pertaining to Corporate Social Responsibility except Section 135(5). The Company has informed that it has not spent sufficient amount under CSR activity which is required to be spent and the same is intended to be utilized in future upon identification of suitable projects within the Company's CSR Policy.*

**We further report that -**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of unanimously and/or requisite majority. There were no dissenting views by any member of the Board of Directors during the period under review.

**We further report** 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.

**We further report** that during the audit period, there were no other specific events /actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

Place: Vadodara  
Date: 10th August, 2017

Signature :  
Name : **NIRAJ TRIVEDI**  
C. P. No. : **3123**

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.

To,  
The Members  
**AUSOM ENTERPRISE LIMITED**  
**CIN: L67190GJ1984PLC006746**  
11-B, New Ahmedabad Industrial Estate,  
Sarkhej Bavla Road,  
Village: Moraiya,  
Ahmedabad -382213  
Gujarat

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

1. Maintenance of secretarial record is the responsibility of the 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. Where ever 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, regulations, standards is the responsibility of 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.

**NIRAJ TRIVEDI**  
Practicing Company Secretary  
FCS - 3844  
C. P. No. 3123

Date: 10th August, 2017  
Place: Vadodara

**VIGIL MECHANISM POLICY/ WHISTLE BLOWER POLICY****1. INTRODUCTION:**

- ❖ We at AUSOM ENTERPRISE LIMITED. "AEL" believe in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.
- ❖ The Company is committed towards developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.
- ❖ Regulation 22 of SEBI (listing Obligations and Disclosure requirements) Regulations, 2015, inter-alia, provides, a mandatory requirement, for all listed companies to establish a mechanism called "Vigil Mechanism" & "Whistle Blower Policy" for employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.
- ❖ The purpose of this policy is to provide a framework to promote responsible and secure Vigil Mechanism & whistle blowing. It protects employees wishing to raise a concern about serious irregularities within the Company.
- ❖ The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

**2. POLICY:**

The Whistle Blower Policy is a policy of the Company to encourage employees, when they reasonably believe that serious misconduct or wrongful activities have occurred or are occurring, to report them to the Company's management (on an anonymous basis, if employees so desire) as described below.

All reports will be taken seriously and will be promptly investigated. The specific action taken in any particular case depends on the nature and gravity of the conduct or circumstances reported, and the quality of the information provided. Where serious misconduct has occurred, those matters will be corrected and, if appropriate, the persons responsible will be disciplined.

**Serious Misconduct or wrongful activities:**

The following actions or activities may be considered as "Serious Misconduct or Wrongful Activities":

- Conduct which results in violation of law by the Company,
- Substantial mismanagement of Company resources,
- Unethical behaviour,
- Actual or suspected fraud,
- Violation of the Company's Code of Conduct or ethics policy,
- Internal accounting controls or auditing matters.
- Any kind of Harassment

**3. APPLICABILITY:**

This Whistle Blower policy is applicable to all employees, including full time consultants, retainers and job-work employees of the Company irrespective of any grade/category/designation/Gender.

**4. REPORTING:**

Any employee who has sufficient reasons to believe that any act of serious misconduct or wrongful activity has occurred or is occurring within the organization, he may immediately report the same to his immediate HOD or the HR Head or directly to the concerned Managing Director of the Company, as he may desire.



While making aforesaid report of alleged misconduct, he must provide sufficient grounds or evidence, if any, in support of his report, to the satisfaction of the concerned HOD or Managing Director, as the case may be. The said report of alleged misconduct may be made in any of the following manner:

1. By making an Oral Report,
2. By sending a written report (on an anonymous basis, if employee so desire),
3. By sending email to his HOD or the concerned Managing Director.

If, for any reason, the concerned employee does not feel comfortable in discussing the matter with either his HOD or HR Head or the concerned Managing Director, he may bring the matter to the attention of the Audit Committee of the Company.

**5. TIMING:**

It is imperative that the employee brings such type of matters to the Company's attention promptly, so that Company can take proper actions against the same.

**6. INVESTIGATION:**

All complaints under this policy will be promptly and thoroughly investigated, and all information disclosed during the course of the investigation will remain confidential, except as necessary to conduct the investigation and take any remedial action, in accordance with applicable laws.

All employees and supervisors have a duty to co-operate in the investigation of reports of such serious misconduct. In addition, an employee shall be subject to disciplinary action, including the termination of their employment, if the employee fails to co-operate in an investigation or hides any material information or deliberately provides false information during an investigation.

If, at the conclusion of its investigation, the Company determines that a violation of policy has occurred, the Company will take effective remedial action commensurate with the severity of the offence. This action may include disciplinary action against the accused party, up to and including termination. Reasonable and necessary steps will also be taken to prevent any further violations of policy.

**7. DISCRIMINATION, RETALIATION OR HARASSMENT:**

The Company strictly prohibits any discrimination, retaliation or harassment against any person who reports incidents of such serious misconduct, based on the person's reasonable belief that such misconduct occurred. The Company also strictly prohibits any discrimination, retaliation or harassment against any person who participates in an investigation of complaints about such serious misconduct.

Any complaint that any managers, supervisors, or employees are involved in discrimination, retaliation or harassment related to the reporting or investigation of serious misconduct, shall be promptly and thoroughly investigated in accordance with the Company's investigation procedures. If a complaint of discrimination, retaliation or harassment is substantiated, appropriate disciplinary actions, up to and including discharge, will be taken.

**8. RETENTION OF DOCUMENTS :**

All documents related to the reporting, investigation and enforcement of this policy, as a result of a report of serious misconduct, or of the discrimination, retaliation or harassment of an employee that made such a report, shall be kept in accordance with the Company's record retention policy and applicable law.

**9. CONFIDENTIALITY :**

The Company ensures that the information regarding the employee who has reported about the suspected misconduct will be kept confidential by the Company at any point of time. The Company further ensures that the information regarding employee who has participated in the investigation or provided material information during the course of investigation will be kept confidential by the Company, at any point of time.

**10. FALSE OR MALAFIDE ALLEGATION:**

An employee who knowingly makes false or malafide allegations of unethical & improper practices or alleged wrongful conduct to the HOD or the concerned Managing Director or the Audit Committee shall be subject to disciplinary action, up to and including termination of employment, as the competent authority may deem fit.

**11. ADDITIONAL ENFORCEMENT INFORMATION:**

The Company's policies and practices have been developed as a guide to our legal and ethical responsibilities to achieve and maintain the highest business standards. Conduct that violates the Company's policies will be viewed as unacceptable under the terms of employment of the Company. Certain violations of the Company's policies and practices could even subject the Company and any individual employees involved to civil and criminal penalties.

**12. MODIFICATION IN THE POLICY :**

The Audit Committee or the Board of Directors of the Company can modify this Policy unilaterally at any time without notice. Modification may be necessary, among other reasons, to maintain compliance with laws and regulations and / or accommodation organizational changes within the Company.

**PERSONNEL**

**Disclosure under Section 197 (12) and Rules 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

1. The Ratio of Remuneration of each director to the median remuneration of the employee of the Company for the financial year ended 31<sup>st</sup> March, 2017: Not Applicable as none of the directors of the company is getting any remuneration.
2. The Percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year ended 31<sup>st</sup> March, 2017:

Sr. No.	Name of Directors	Ratio
Not Applicable		
Sr. No.	Name of Directors	Ratio
1.	Mr. Rupesh Shah – CFO	23%
2.	Mr. Ravikumar Pasi - CS	50%

3. The Percentage increase in median remuneration of employees in the financial year: 23%
4. The number of employees employed including manager and workers as on 31<sup>st</sup> March, 2017: 2 (Two)
5. Average percentile increase already made in the salaries of employees other than the Managerial personnel in the Last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

There is only two employees and they are Managerial personnel. The Average Salary increased of managerial employees is 36 %. There is no exceptional circumstances in increase in managerial remuneration.

6. Affirmation that the remuneration is as per the remuneration policy of the Company

The Company affirm that the remuneration paid is in accordance with the remuneration policy of the Company.

**Annexure – 'I'**
**FORM NO. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014. Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at Arm's length basis:**

	A	B	C	D	E	F	G	H
SL. No.	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Justification for entering into such contracts or arrangements or transaction including the value, if any	Date(s) of approval by the Board, if any:	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
1	Nil							

**2. Details of contracts or arrangements or transactions at Arm's length basis:**

	A	B	C	D	E	F
SL. No.	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date(s) of approval by the Board/Audit Committee, if any:	Amount paid as advances, if any
1.	Zaveri Realty LLP (director is partner)	Leasing Premises	11 Months from 01/02/2017	Lease Rent @ Rs. 9900/- p.m.	8th February, 2017	Nil

For AuSom Enterprise Limited  
For and on behalf of the Board of Directors,

Place: Ahmedabad  
Date: 10th August, 2017

Kishor P. Mandalia  
Managing Director  
Din: 00126209

Vipul Z. Mandalia  
Director  
Din: 02327708

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CORPORATE GOVERNANCE CERTIFICATE

To the Members of AUSOM ENTERPRISE LIMITED

1. This certificate is issued in accordance with terms of our engagements with AUSOM ENTERPRISE LIMITED ("the Company").
2. We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2017, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').
3. The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.
4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ('the ICAI'), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
8. In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31<sup>st</sup> March, 2017.
9. We 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.

**PLACE : AHMEDABAD**  
**DATE : 10-08-2017**

**For. C.R. SHAREDALAL & CO.**  
**CHARTERED ACCOUNTANTS,**  
(Registration No.109943W)

**(C. R. SHAREDALAL)**  
PARTNER  
Membership No.002571

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**INDEPENDENT AUDITOR'S REPORT****To the Members of Ausom Enterprise Limited  
Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **Ausom Enterprise Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in

conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 purpose 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone 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 written representations received from the directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 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".
  - g. 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 by way of note no.36 to the 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided requisite disclosures in note no.39 of the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

**PLACE : AHMEDABAD**

**DATE : 10-08-2017**

**For. C.R. SHAREDALAL & CO.**  
**CHARTERED ACCOUNTANTS,**  
(Registration No.109943W)

**(C. R. SHAREDALAL)**  
PARTNER  
Membership No.002571

**Annexure 'A' to the Independent Auditors' Report**

[Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date]

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) Fixed assets were physically verified during the year by the management in accordance with a program of verification, which in our opinion is reasonable having regard to the size of the company and the nature of assets. According to the information and explanations given to us, no discrepancies were noticed on such verification.  
(c) The Company does not hold the immovable property. Therefore the provisions of Clause 3(i) (c) of the said Order are not applicable to the Company.
2. As explained to us, during the year, the inventories have been physically verified by the management at reasonable intervals. In our opinion the frequency of such verification is reasonable. According to the information and explanations given to us, no discrepancies were noticed on physical verification of inventories as compared to book records.
3. During the year under review, 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. Therefore the provisions of Clause 3(iii)a), (iii)b) and (iii)c) of the said Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable
5. In our opinion and according to the information and explanation given to us, the Company has not accepted deposits during the year and does not have any unclaimed deposits. Therefore, the provisions of the clause 3(v) of the order are not applicable to the Company.
6. According to the information and explanation given to us the maintenance of cost records has not been prescribed for the Company under sub-section (1) of Section 148 of the Companies Act, 2013.
7. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Value Added Tax, Wealth Tax, Custom duty, Excise duty, Service Tax, Cess and any other statutory dues whichever is applicable during the year with the appropriate authorities and no undisputed dues payable in respect of outstanding statutory dues were in arrears as at 31<sup>st</sup> March, 2017 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 amounts in respect of sales tax/ income tax/ custom duty / excise duty/ service tax that have not been deposited with the appropriate authorities on account of any dispute.
8. In our opinion and according to the information and explanation given to us and on the basis of our examination of the books of account, the Company has not defaulted in repayment of loans or borrowings to financial institution or banks.
9. During the period under audit, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loan; hence the provisions of Clause 3(ix) of the said Order are not applicable to the Company.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year



11. The Company has not paid or provided managerial remuneration; hence the provisions of Clause 3(xi) of the said Order are not applicable to the Company.
12. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it; hence the provisions of Clause 3(xii) of the said Order are not applicable to the Company.
13. 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 applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
15. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**PLACE : AHMEDABAD**  
**DATE : 10-08-2017**

**For. C.R. SHAREDALAL & CO.**  
**CHARTERED ACCOUNTANTS,**  
(Registration No.109943W)

**(C. R. SHAREDALAL)**  
PARTNER  
Membership No.002571

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**Annexure 'B' to the Independent Auditors' Report**

[Referred to in Paragraph 2(f) under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date]

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Ausom Enterprise Limited** (“the Company”) as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the standalone financial statements 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 controls 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 (“the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls 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 auditors' judgement, including the assessment of the risks 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 our audit opinion on the Company's internal financial controls system 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 purposes in accordance with generally accepted accounting principles. 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 transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations 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, projections of any evaluation of the internal financial controls 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, to the best of our information and according to the explanations given to us, 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 31<sup>st</sup> March, 2017, 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.

**PLACE : AHMEDABAD**

**DATE : 10-08-2017**

**For. C.R. SHAREDALAL & CO.  
CHARTERED ACCOUNTANTS,  
(Registration No.109943W)**

**(C. R. SHAREDALAL)  
PARTNER  
Membership No.002571**

**BALANCE SHEET AS AT 31 MARCH, 2017**

Particulars	Note No.	As at 31 March, 2017	As at 31 March, 2016
		Rupees	Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	33,62,46,270	33,62,46,270
Reserves and surplus	3	32,85,26,423	27,40,25,208
		66,47,72,693	61,02,71,478
<b>Non-current liabilities</b>			
Long-term provisions	4	2,37,200	1,26,661
Other long-term liabilities		-	5,14,739
		2,37,200	6,41,400
<b>Current liabilities</b>			
Short-term borrowings	5	18,95,44,468	16,84,21,443
Trade payables	6	11,50,337	4,12,202
Other current liabilities	7	12,65,557	91,196
Short-term provisions	8	67,57,905	26,42,242
		19,87,18,267	17,15,67,083
<b>TOTAL</b>		<b>86,37,28,160</b>	<b>78,24,79,961</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant & Equipments			
Tangible assets	9	54,826	3,95,700
Capital work in progress		-	95,78,305
		54,826	99,74,005
Non-current investments	10	25,03,28,793	20,99,00,280
Long-term loans and advances	11	1,83,72,605	2,73,75,463
Other non-current assets	12	-	2,00,000
		26,87,01,398	23,74,75,743
<b>Current assets</b>			
Inventories	13	12,00,01,952	28,59,45,635
Trade receivables	14	51,02,638	16,30,357
Cash and bank balances	15	25,26,16,951	19,51,14,400
Short-term loans and advances	16	21,00,71,915	4,76,81,639
Other current assets	17	71,78,480	46,58,182
		59,49,71,936	53,50,30,213
<b>TOTAL</b>		<b>86,37,28,160</b>	<b>78,24,79,961</b>

Significant Accounting Policies 1  
The accompanying notes from 1 to 41 are integral part of the financial statements.  
As per our report of even date.

For and on behalf of the Board of Directors

**For C.R. Sharedalal & Co.**  
**Chartered Accountants**  
(Firm Reg. No. 109943W)

**KISHOR MANDALIA**  
**Managing Director**

**ZAVERILAL MANDALIA**  
**Director**

**(C.R. Sharedalal)**  
**Partner**  
**Membership No. 002571**

**RUPESH SHAH**  
**Chief Financial Officer**

**RAVIKUMAR PASI**  
**Company Secretary**

**Place : Ahmedabad**  
**Date : 10-08-2017**

**Place : Ahmedabad**  
**Date : 10-08-2017**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2017**

Particulars	Note No.	For the year ended	For the year ended
		31 March, 2017	31 March, 2016
		Rupees	Rupees
Revenue from operations	18	2,88,51,27,596	2,85,54,16,469
Other income	19	7,27,60,532	4,95,85,622
<b>Total revenue</b>		<b>2,95,78,88,128</b>	<b>2,90,50,02,091</b>
<b>Expenses</b>			
Purchases of stock-in-trade	20	2,66,95,73,892	2,89,29,06,260
Changes in inventories of stock-in-trade	21	16,59,43,683	(2,11,93,548)
Employee benefits expense	22	12,60,469	10,00,497
Finance costs	23	3,55,03,244	1,85,16,900
Depreciation and amortisation expense	9	34,436	52,676
Other expenses	24	1,35,37,048	79,01,817
<b>Total expenses</b>		<b>2,88,58,52,772</b>	<b>2,89,91,84,602</b>
<b>Profit before tax</b>		<b>7,20,35,356</b>	<b>58,17,489</b>
<b>Tax expense:</b>			
Current Income Tax		1,45,00,000	9,91,000
(Excess)/Short Provision of Income Tax for earlier years		30,34,141	21,233
<b>Profit for the year</b>		<b>5,45,01,215</b>	<b>48,05,256</b>
<b>Earnings per Equity Share (Note 32)</b>			
<b>Basic</b>		4.00	0.35
<b>Diluted</b>		4.00	0.35

Significant Accounting Policies <sup>1</sup>  
The accompanying notes from 1 to 41 are integral part of the financial statements.  
As per our report of even date.

For and on behalf of the Board of Directors

**For C.R. Sharedalal & Co.**  
**Chartered Accountants**  
(Firm Reg. No. 109943W)

**KISHOR MANDALIA**  
Managing Director

**ZAVERILAL MANDALIA**  
Director

**(C.R. Sharedalal)**  
Partner  
Membership No. 002571

**RUPESH SHAH**  
Chief Financial Officer

**RAVIKUMAR PASI**  
Company Secretary

Place : Ahmedabad  
Date : 10-08-2017

Place : Ahmedabad  
Date : 10-08-2017

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31 MARCH, 2017**

	For the year ended 31-Mar-17		For the year ended 31-Mar-16	
	Rupees	Rupees	Rupees	Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before taxation and extraordinary items		5,45,01,215		58,17,489
Adjustment for				
Depreciation	55,042		60,109	
Interest income	(6,29,49,234)		(4,65,80,211)	
Interest expense	3,55,03,244		1,85,16,900	
Profit on Sale of Assets	(58,670)		-	
		<u>(2,74,49,618)</u>		<u>(2,80,03,202)</u>
<b>Operating Profit before Working Capital Changes</b>		2,70,51,597		(2,21,85,713)
Decrease/(Increase) in Trade Receivable	(34,72,281)		11,84,78,071	
Decrease/(Increase) in Inventories	16,59,43,683		(2,11,93,548)	
Increase/(Decrease) in Long-term provision	1,10,539		19,188	
Increase/(Decrease) in Short-term provision	1,19,20,716		(1,93,04,743)	
Increase/(Decrease) in Other current liability	11,74,361		33,315	
Decrease/(Increase) in Other current assets	(25,20,298)		96,96,225	
Decrease/(Increase) in Long-term Loans & Advances	90,02,858		(41,66,582)	
Decrease/(Increase) in Short-term Loans & Advances	1,71,09,761		6,47,18,374	
Decrease/(Increase) in Other bank balance	(5,50,00,000)		21,04,79,347	
Increase/(Decrease) in Other Long-Term Liability	(5,14,739)		5,14,739	
Decrease/(Increase) in Other Non-Current Assets	2,00,000		(2,00,000)	
Increase/(Decrease) in Trade Payable	7,38,135	14,46,92,735	(1,26,79,078)	34,63,95,308
		<u>17,17,44,332</u>		<u>32,42,09,595</u>
Cash Generated from Operations				
Direct Taxes Paid		<u>(78,05,053)</u>		<u>(10,12,233)</u>
<b>Net cash from operating activities</b>		<b>16,39,39,279</b>		<b>32,31,97,362</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Non current investment	(4,04,28,513)		(18,63,40,624)	
Movement in Short-term Loans & Advances	(17,95,00,037)		(2,10,95,160)	
Purchase of Fixed Assets	-		(2,47,541)	
Movement in Capital Work-in-progress	95,78,305		(95,78,305)	
Proceeds from sale of fixed assets	3,44,502		-	
Interest Received	6,29,49,234		4,65,80,211	
<b>Net cash from investing activities</b>		<b>(14,70,56,509)</b>		<b>(17,06,81,419)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from short term borrowings	2,11,23,025		(12,14,12,357)	
Interest Paid	(3,55,03,244)		(1,85,16,900)	
<b>Net cash used in financing activities</b>		<b>(1,43,80,219)</b>		<b>(13,99,29,257)</b>
<b>Net increase in cash &amp; cash equivalents</b>		<b>25,02,551</b>		<b>1,25,86,686</b>
Cash & Cash equivalents at beginning of period		1,54,14,400		28,27,714
<b>Cash &amp; Cash equivalents at end of period</b>		<b>1,79,16,951</b>		<b>1,54,14,400</b>

**Note:** Cash and Cash Equivalents included in the Cash Flow Statement comprises the following balances amounts :

	As at 31-03-2017	As at 31-03-2016
Cash On Hand	8,07,962	7,76,856
Bank Balance with Schedule Banks	1,71,08,989	1,46,37,544
<b>Total</b>	<b>1,79,16,951</b>	<b>1,54,14,400</b>

As per our attached Report of even date  
For C.R. Sharedalal & Co.  
Chartered Accountants  
(Firm Reg. No. 109943W)

C.R.SHAREDALAL  
Partner  
Membership No.002571

Place : Ahmedabad  
Date : 10-08-2017

For and on behalf of the Board of Directors

KISHOR MANDALIA Managing Director	ZAVERILAL MANDALIA Director
RUPEESH SHAH Chief Financial Officer	RAVIKUMAR PASI Company Secretary

Place : Ahmedabad  
Date : 10-08-2017

**1. Significant accounting policies****1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, on accrual basis in accordance with Generally Accepted Accounting Principle (GAAP), and comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

**1.2 Use of estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

**1.3 Property, Plant & Equipment**

Tangible assets are stated at cost less accumulated depreciation. The cost comprises of purchase price, duties, levies and any directly attributable cost of bringing the assets to its working condition for the intended use.

**1.4 Depreciation**

Depreciation on Tangible assets has been provided on straight line method as per useful life prescribed in Schedule II to the Companies Act, 2013. Depreciable amount for assets is the cost of an asset or other amount substituted for cost less its estimated residual value.

**1.5 Inventories**

- (i) Trading Goods are valued at Cost or Net Realizable value whichever is lower. Cost is arrived at by using FIFO method.
- (ii) Shares and Securities are valued at Cost or Net Realizable value whichever is lower. Cost is arrived at by using FIFO method.

**1.6 Cash Flow**

The cash flow Statement is prepared by the indirect method set out in Accounting Standard-3 on Cash Flow Statement and presents cash flows by operating, investing and financing activities of the Company. Cash and cash equivalents presented in the cash flow statement consist of cash on hand and balances in current and demand deposit with banks.

**1.7 Revenue Recognition**

- A. Revenue from sale is recognised at the point of dispatch to the customers when risk and reward stand transferred to the customers. Sales are inclusive of freight wherever it is charged.
- B. Dividend income is recognised when the right to receive the dividend is established.
- C. Operating and other Interest income on FDR is recognised on the time proportion basis taking into account of the amount outstanding and rate applicable.
- D. Shares Transactions
  - (i) Where share trading purchase and share trading sales is settled within the same settlement, only net gain or loss is booked.
  - (ii) Where share trading purchase and share trading sales is not settled within the same settlement, each transaction is accounted as purchase and sales respectively.
- E. Units of Mutual Funds  
Units of Mutual Fund transactions are accounted as Sales or Purchase as and when it is committed.

**F. Derivative Transactions in Future and Option**

- (i) Future or Option transactions in Equity/Index/Currency/Commodity with no hedging relationship are accounted expiry date wise separately and are recognised and measured at fair value in the balance sheet. The fair value of the derivative contract is marked to market through Statement of Profit and Loss and included in "Profit / (loss) on Derivative transactions (Net)".
- (ii) When future or option contract settled with actual delivery, the same is accounted for respective contract wise as purchase/sales.

**G. Other Income**

Revenue in respect of other income is recognized when no significant uncertainty as to its determination or realization exist.

**1.8 Purchase**

Purchase cost of shares, securities and Units of Mutual Funds does not include other incidental charges except brokerage charges.

**1.9 Employee Benefits**

Short-term employee benefits are recognized as expenses in the Statement of Profit and Loss of the year in which the related service is rendered at the undiscounted amount as and when it accrues.

Long term employee benefits and post-employment benefits both funded and non-funded are recognized as expenses in the Statement of Profit and Loss of the year in which the related service is rendered based on actuarial valuation.

- i. Company's Contribution towards provident fund are accounted for at pre-determined rates and deposited in to an EPFO.
- ii. Gratuity is accounted for on the basis of actuarial valuation.

**1.10 Provision for Current and Deferred Tax**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax assets is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

**1.11 Provisions, Contingent Liabilities and Contingent Assets**

Provision is recognized when there is a present obligation as a result of past event that probably requires an outflow of resources and reliable estimate can be made of the amount of the obligation. Disclosure for Contingent Liabilities is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. No provision is recognized or disclosure for Contingent Liability is made when there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote. Contingent Asset is neither recognized nor disclosed in the financial statements.

**1.12 Impairment of Assets**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior period is reversed if there has been a change in the estimate of recoverable amount.

**1.13 Foreign Currency Transactions**

- (a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of transaction.
- (b) Monetary items denominated in foreign currencies at the year-end are restated at year-end rates.





- (c) Any gain or loss on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.
- (d) Foreign currency transactions hedged through forward contracts, the premium on such forward contracts is amortised over the life of the contract.

#### **1.14 Investments**

Investments that are readily realisable and intended to be held for not more than a year are classified as Current investments. All other investments are classified as non-current investments. Current Investments are carried at lower of cost and quoted/fair value determined on category/item wise. Non-current investments are stated at cost. However, Provision for diminution in the value of long-term investment is made only if such a decline is other than temporary.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

#### **1.15 Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Statement of Profit and Loss.

**2 Share capital**

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares	Rupees	Number of shares	Rupees
Authorised				
Equity shares of Rs.10 each	6,00,00,000	60,00,00,000	6,00,00,000	60,00,00,000
Redeemable preference shares of Rs.10 each	4,00,00,000	40,00,00,000	4,00,00,000	40,00,00,000
Issued, Subscribed and Fully Paid up				
Equity shares of Rs.10 each	1,36,23,552	13,62,35,520	1,36,23,552	13,62,35,520
1.5% Non-Cummulative Redeemable Participating preference shares of Rs. 10 each (Up to 31/03/2013 : 16.5% Cummulative Redeemable Participating Preference Shares )	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
Forfeited equity shares(Amount originally paid up)		10,750		10,750
<b>Total</b>		<b>33,62,46,270</b>		<b>33,62,46,270</b>

**2.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:**

Particulars	Opening Balance	Issue	Buy back	Closing Balance
<b>Equity shares</b>				
Year ended 31 March, 2017				
- Number of shares	1,36,23,552	-	-	1,36,23,552
- Amount (Rs)	13,62,35,520	-	-	13,62,35,520
Year ended 31 March, 2016				
- Number of shares	1,36,23,552	-	-	1,36,23,552
- Amount (Rs)	13,62,35,520	-	-	13,62,35,520
Particulars	Opening Balance	Issue	Redemption	Closing Balance
<b>1.5 % Non-Cummulative Redeemable Participating preference shares ( Up to 31/03/2013 : 16.5% Cummulative Redeemable Participating Preference shares)</b>				
Year ended 31 March, 2017				
- Number of shares	2,00,00,000	-	-	2,00,00,000
- Amount (Rs)	20,00,00,000	-	-	20,00,00,000
Year ended 31 March, 2016				
- Number of shares	2,00,00,000	-	-	2,00,00,000
- Amount (Rs)	20,00,00,000	-	-	20,00,00,000

**2.2 Details of shareholders holding more than 5% shares in the Company**

Class of shares / Name of shareholder	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares of Rs. 10 each fully paid</b>				
Savitri D. Pawani	50,20,000	36.85	50,20,000	36.85
Kishor P. Mandalia	11,89,102	8.73	11,89,102	8.73
Daxaben B. Mandalia	8,90,572	6.54	8,90,572	6.54
Vipul Z. Mandalia	8,36,420	6.14	8,36,420	6.14
Zaverilal V. Mandalia	8,04,547	5.91	8,04,547	5.91
Chandresh Z. Mandalia	7,97,647	5.85	7,97,647	5.85
<b>1.5 % Non-Cummulative Redeemable Participating preference shares of Rs. 10 each fully paid ( Up to 31/03/2013 : 16.5% Cummulative Redeemable Participating Preference shares)</b>				
Zaverilal V. Mandalia	18,00,000	9.00	18,00,000	9.00
Bharat P. Mandalia	25,00,000	12.50	25,00,000	12.50
Kishor P. Mandalia	25,00,000	12.50	25,00,000	12.50
Chandresh Z. Mandalia	16,00,000	8.00	16,00,000	8.00
Vipul Z. Mandalia	16,00,000	8.00	16,00,000	8.00
Savitri D. Pawani	1,00,00,000	50.00	1,00,00,000	50.00

**(a) Terms/Rights attached to equity shares**

- (i) The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed if any by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (ii) In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(b) Terms of Redemption, conversion & rights of preference shares**

- (i) Preference shares carry non-cumulative dividend at 1.5% p.a. ( Up to 31/03/2013 : cumulative dividend @ 16.5% p.a.) The dividend proposed if any by the Board of Directors is subject to the approval of the share holders in the ensuing Annual General Meeting. The preference shares shall, in addition have a right to participating dividend over and above the base dividend mentioned above.
- (ii) The liability for payment of Dividend upto 31/03/2017 on Cumulative Redeemable Participating Preference Shares of Rs. 20,00,00,000 is not provided in view of the accumulated loss. The amount of such accumulated dividend comes to Rs. 37,34,00,000 up to 31/03/2017.
- (iii) The Preference Shares were issued on 09/12/1999 and are redeemable at par in three equal annual installments. The installments of such redemption were due on 9th Dec, 2006, 9th Dec 2007 and 9th Dec 2008. However, the Company has received consent letters from the preference shareholder postponing their right to receive payment of the installments of redemption of preference shares amounting to Rs. 20,00,00,000 by eleven years
- (iv) At the time of redemption of the Preference Shares or in the event of winding-up of the Company, the arrears of dividend on the Preference Shares whether earned, declared or not shall also be paid to the Subscribers.
- (v) The Subscribers shall have the same voting rights in respect of the Preference Shares as are available and applicable to preference shares under the Companies Act, 2013.
- (vi) In the event of default in payment of base and / or participating dividend inspite of adequate profits and / or redemption of Preference Shares as per the terms of issue, the subscriber shall have the right to convert at its option 100% of the Preference Shares into fully paid-up Equity Shares of the Company, at par, in the manner specified in writing to be given by the Subscribers.

**3 Reserves and surplus**

Particulars	As at 31 March, 2017	As at 31 March, 2016
	Rupees	Rupees
Capital reserve (Profit on reissue of forfeited shares)	86,000	86,000
Securities Premium Reserve	36,41,18,400	36,41,18,400
Surplus / (Deficit) in the Statement of Profit and Loss		
Balance as per last financial statement	(9,01,79,192)	(9,49,84,448)
Add: Profit for the year	5,45,01,215	48,05,256
Net Surplus/(Deficit) in the statement of Profit and Loss	(3,56,77,977)	(9,01,79,192)
<b>Total</b>	<b>32,85,26,423</b>	<b>27,40,25,208</b>

**4 Long term Provisions**

Particulars	As at 31 March, 2017	As at 31 March, 2016
	Rupees	Rupees
Provision for employee benefits		
Provision for gratuity	2,37,200	1,26,661
<b>Total</b>	<b>2,37,200</b>	<b>1,26,661</b>

**5 Short-term borrowings**

Particulars	As at 31 March, 2017	As at 31 March, 2016
	Rupees	Rupees
Loans repayable on demand		
From Banks		
Secured : overdraft facilities (Note 5.1)	18,95,44,468	16,84,21,443
<b>Total</b>	<b>18,95,44,468</b>	<b>16,84,21,443</b>

**5.1**

The overdraft facilities from banks are secured against Fixed Deposits of the Company. They are repayable on demand and carry interest @ Interest rate on Fixed Deposits plus 1% to 3% p.a.

**6 Trade payables**

Particulars	As at 31 March, 2017	As at 31 March, 2016
	Rupees	Rupees
Trade payables (Note 35 : due to micro and small enterprises)	11,50,337	4,12,202
<b>Total</b>	<b>11,50,337</b>	<b>4,12,202</b>

**7 Other current liabilities**

Particulars	As at 31 March, 2017	As at 31 March, 2016
	Rupees	Rupees
Interest accrued but not due on borrowings	1,20,042	-
Other payables		
TDS Payable	7,08,711	91,196
VAT Payable	2,94,838	-
Others	1,41,966	-
<b>Total</b>	<b>12,65,557</b>	<b>91,196</b>

**8 Short-term provisions**

Particulars	As at 31 March, 2017	As at 31 March, 2016
	Rupees	Rupees
Provision for employee benefits		
Provision for Bonus	34,943	26,046
Provision for Leave Enchashment	22,925	16,566
Others Provisions		
Provision for Income tax (Net of Advances)	66,94,947	-
Provision for Expenses	5,090	35,493
Open position in Derivative contracts	-	25,64,137
<b>Total</b>	<b>67,57,905</b>	<b>26,42,242</b>

**9 Property, Plant & Equipments**

DESCRIPTION	GROSS BLOCK						DEPRECIATION				NET BLOCK	
	As at 01/04/2016	Additions	Deletions/ Adjustments	As at 31/03/2017	Up to 01/04/2016	For the Year	Deletions/ Adjustments	Up to 31/03/2017	As at 31/03/2017	As at 31/03/2016		
Plant & Equipment	84,468	-	84,468	-	25,508	3,271	28,779	-	-	-	58,960	
Furniture and Fixtures	1,27,134	-	-	1,27,134	65,849	14,274	-	80,123	47,011	61,285		
Office Equipment	2,63,630	-	2,01,700	61,930	71,047	19,378	28,930	61,495	435	1,92,583		
Computer	86,700	-	-	86,700	64,115	15,205	-	79,320	7,380	22,585		
Vehicle	61,341	-	61,341	-	1,054	2,914	3,968	-	-	60,287		
<b>Total (a)</b>	<b>6,23,273</b>	<b>-</b>	<b>3,47,509</b>	<b>2,75,764</b>	<b>2,27,573</b>	<b>55,042</b>	<b>61,677</b>	<b>2,20,938</b>	<b>54,826</b>	<b>3,95,700</b>		
Capital Work in Progress (CWIP)	95,78,305	2,53,980	98,32,285	-	-	-	-	-	-	95,78,305		
<b>Total (b)</b>	<b>95,78,305</b>	<b>2,53,980</b>	<b>98,32,285</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95,78,305</b>		
<b>Total (a+b)</b>	<b>1,02,01,578</b>	<b>2,53,980</b>	<b>1,01,79,794</b>	<b>2,75,764</b>	<b>2,27,573</b>	<b>55,042</b>	<b>61,677</b>	<b>2,20,938</b>	<b>54,826</b>	<b>99,74,005</b>		
Previous Year	3,75,732	98,25,846	-	1,02,01,578	1,67,464	60,109	-	2,27,573	99,74,005	-		

**9.1**

Rs.20,606/- (P.Y.-Rs. 7,433/-) included in depreciation for the year are added to capital work in progress (CWIP) being the depreciation on the assets used for CWIP

**10 Non-current investment**

Particulars	As at 31 March, 2017	As at 31 March, 2016
	Rupees	Rupees
Trade Investments (unquoted & valued at cost) (Long-term) Investment in Limited Liability Partnership - Capital Contribution in Swadeshi Distributors LLP	22,67,69,137	18,63,40,624
Non - Trade Investment (unquoted & valued at cost) (Long-term) investment in equity instruments - 207101 (31/03/2016 : 207101) Equity Shares of Rs. 10 each fully paid up in Grover Zampa Vineyards Ltd	1,64,28,892	1,64,28,892
investment in preference shares - 97619 (31/03/2016 : 97619) preference Shares of Rs. 10 each fully paid up in Grover Zampa Vineyards Ltd	58,58,019	58,58,019
Investment in Zero Coupon Fully Convertible Debenture - 12727 (31/03/2016 : 12727) Debentures of Rs. 100 each fully paid up in Grover Zampa Vineyards Ltd	12,72,745	12,72,745
<b>Total</b>	<b>25,03,28,793</b>	<b>20,99,00,280</b>

**11 Long-term loans and advances**

Particulars	As at 31 March, 2017	As at 31 March, 2016
	Rupees	Rupees
Capital advances Unsecured, considered good	-	30,00,000
Security deposits Unsecured, considered good	4,33,411	5,83,411
Other loan and advances Advance Income Tax (Net of Provision)	1,79,39,194	2,37,92,052
<b>Total</b>	<b>1,83,72,605</b>	<b>2,73,75,463</b>

**12 Other non-current assets**

Particulars	As at 31 March, 2017	As at 31 March, 2016
	Rupees	Rupees
Other Bank Balances Fixed Deposits	-	2,00,000
<b>Total</b>	<b>-</b>	<b>2,00,000</b>

**13 Inventories**

Particulars	As at 31 March, 2017	As at 31 March, 2016
	Rupees	Rupees
Stock-in-trade (valued at Cost or net realisable value whichever is lower) - Shares & securities	11,94,20,952	4,70,65,124
- Bullion	5,81,000	23,88,80,511
<b>Total</b>	<b>12,00,01,952</b>	<b>28,59,45,635</b>

**14 Trade receivables**

Particulars	As at 31 March, 2017	As at 31 March, 2016
	Rupees	Rupees
Outstanding for a period exceeding six months from the date they are due for payment. Unsecured, considered good	-	-
Other receivables Unsecured, considered good	51,02,638	16,30,357
<b>Total</b>	<b>51,02,638</b>	<b>16,30,357</b>

**15 Cash and bank balances**

Particulars	As at 31 March, 2017	As at 31 March, 2016
	Rupees	Rupees
Cash and Cash Equivalents		
Balance with Banks	1,71,08,989	1,46,37,544
Cash on hand	8,07,962	7,76,856
Other Banks Balances		
Fixed Deposits	2,00,000	-
Margin money deposits (Note 15.1)	23,45,00,000	17,97,00,000
<b>Total</b>	<b>25,26,16,951</b>	<b>19,51,14,400</b>

**15.1**

With carrying amount of Rs. 23,45,00,000 (31/03/2016 Rs. 17,97,00,000) are given as margin money against overdraft facilities availed from banks.

**16 Short-term loans and advances**

Particulars	As at 31 March, 2017	As at 31 March, 2016
	Rupees	Rupees
Loans and advances to related parties (Note No.:- 30)		
Unsecured, considered good	17,05,95,197	-
Balances with statutory authorities		
Unsecured, considered good		
VAT Receivable	79,44,514	1,05,35,982
Other loans and advances		
Margin money with exchanges	-	1,59,19,590
Intercorporate deposits	3,00,00,000	2,10,95,160
Others	15,28,750	1,21,853
Prepaid expenses	3,454	9,054
<b>Total</b>	<b>21,00,71,915</b>	<b>4,76,81,639</b>

**17 Other current assets**

Particulars	As at 31 March, 2017	As at 31 March, 2016
	Rupees	Rupees
Interest accrued on fixed Deposits	64,46,464	46,58,182
Interest accrued on loans and advances	2,21,266	-
Other Receivables	5,10,750	-
<b>Total</b>	<b>71,78,480</b>	<b>46,58,182</b>

**18 Revenue from operations**

	Particulars	For the year ended	For the year ended
		31 March, 2017	31 March, 2016
		Rupees	Rupees
(a)	Sale of Traded goods (Note 18.1)	2,88,42,15,400	2,88,56,42,718
(b)	Other operating revenues (Note 18.1)	9,12,196	(3,02,26,249)
	<b>Total</b>	<b>2,88,51,27,596</b>	<b>2,85,54,16,469</b>



**18.1 Gross Revenue derived from sales of traded goods and other operating revenues under broad heads**

	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
		Rupees	Rupees
(i)	<b>Sale of Traded goods</b>		
	Shares, Securities & Units of Mutual Funds	52,57,36,141	2,57,00,27,963
	Bullion	2,35,84,79,259	29,52,54,699
	Other Commodities	-	2,03,60,056
	Interdivision	-	-
	<b>Total - Sale of traded goods</b>	<b>2,88,42,15,400</b>	<b>2,88,56,42,718</b>
(ii)	<b>Other operating revenues</b>		
	Profit/(Loss) on Share Speculation (Net)	-	(105)
	Profit/(loss) on Derivatives Transactions (Net)		
	Shares & Securities	84,43,759	62,65,893
	Commodities	(57,77,083)	53,89,403
	Currency	(17,54,480)	(4,18,81,440)
	<b>Total - Other operating revenues</b>	<b>9,12,196</b>	<b>(3,02,26,249)</b>

**19 Other income**

	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
		Rupees	Rupees
	Interest Income		
	From Bank	2,34,95,154	2,60,71,422
	From Others	1,69,25,567	2,05,08,789
	From Investment in LLP	2,25,28,513	-
	On income tax refund	17,51,422	-
	Dividend Income	13,07,356	6,19,612
	Profit/(loss) on Cancellation of FRA/Forward contracts	62,44,000	-
	Misc Income	-	(481)
	Profit on sale of fixed assets	58,670	-
	Profit on sale of assets from CWIP (Note 9)	4,49,850	-
	Foreign Exchange Rate Difference - (net)	-	23,86,280
	<b>Total</b>	<b>7,27,60,532</b>	<b>4,95,85,622</b>

**20 Purchase of stock-in-trade**

	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
		Rupees	Rupees
	Shares, Securities & Units of Mutual Funds	56,96,16,336	2,54,09,22,669
	Bullion	2,09,99,57,556	33,16,68,883
	Other Commodities	-	2,03,14,708
	Interdivision	-	-
	<b>Total</b>	<b>2,66,95,73,892</b>	<b>2,89,29,06,260</b>

**21 Changes in inventories of stock-in-trade**

	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
		Rupees	Rupees
	<b>Inventories at the end of the year:</b>		
	Stock-in-trade-Shares & Mutual Funds	11,94,20,952	4,70,65,124
	Stock-in-trade-Bullion	5,81,000	23,88,80,511
		<b>12,00,01,952</b>	<b>28,59,45,635</b>
	<b>Inventories at the beginning of the year:</b>		
	Stock-in-trade-Gold Jewellery	-	73,19,816
	Stock-in-trade-Shares & Mutual Funds	4,70,65,124	5,87,94,771
	Stock-in-trade-Bullion	23,88,80,511	19,86,37,500
		<b>28,59,45,635</b>	<b>26,47,52,087</b>
	<b>Net (increase) / decrease</b>	<b>16,59,43,683</b>	<b>(2,11,93,548)</b>

**22 Employee benefits expense**

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	Rupees	Rupees
Salaries and bonus	9,95,358	8,74,040
Leave Enchashment	1,04,629	72,181
Provided for gratuity	1,10,539	19,188
Contribution towards providend fund	49,943	35,088
<b>Total</b>	<b>12,60,469</b>	<b>10,00,497</b>

**23 Finance costs**

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	Rupees	Rupees
Interest expense	3,55,03,244	1,84,85,195
Bank gaurantee,LC and other charges	-	31,705
<b>Total</b>	<b>3,55,03,244</b>	<b>1,85,16,900</b>

**24 Other expenses**

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	Rupees	Rupees
Electricity Power	49,360	56,352
Insurance	-	20,950
Rent	1,78,800	3,03,800
Rates and taxes	2,400	2,400
Stationary, Printing, Postage and Telephone	3,01,314	3,44,509
Legal and professional fees	19,50,880	21,36,577
Payments to auditors (Note 24.1)	7,48,500	4,58,000
Transportation expenses	7,69,043	34,467
Shares, Securities and Derivatives transaction charges	9,48,963	17,37,888
Sundry Balances W/off	865	8,24,123
Directors' sitting fees	24,000	30,000
Loss on Sale / Discard of assets from CWIP (Note 9)	10,26,650	-
Loss on Discard of CWIP (Note 9)	29,61,987	-
Prior period expenses	25,000	40,000
Labour Charges	31,31,251	16,199
Licence Fees & Service charges of SEZ unit	3,25,369	2,74,703
General Charges (Note 24.2)	10,92,666	16,21,849
<b>Total</b>	<b>1,35,37,048</b>	<b>79,01,817</b>

**24.1 Payments to the auditors**

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	Rupees	Rupees
As auditors :-		
Audit fees	1,73,975	2,86,250
Tax audit fees	1,49,925	51,525
VAT audit fees	23,100	22,900
In other capacity- taxation	4,01,500	97,325
	<b>7,48,500</b>	<b>4,58,000</b>

**24.2**

General Charges includes Travelling expenses, loading and unloading expenses, custodian charges, advertisements, membership fees, listing fees, Office expenses etc.

**25 Value of import on CIF basis**

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	Rupees	Rupees
Purchase of Trade Goods	Nil	Nil
<b>Total</b>	Nil	Nil

**26 Expenditure in Foreign Currency on account of**

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	Rupees	Rupees
Interest	Nil	Nil
<b>Total</b>	Nil	Nil

**27 Earning in Foreign Currency on account of**

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	Rupees	Rupees
FOB value of Exports	NIL	NIL
<b>Total</b>	NIL	NIL

**28 Dividend remittance in Foreign Currency during the period**

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	Rupees	Rupees
1. No. of foreign share holders	21	24
2. No. of shares held	18,908	19,925
3. Amount Remitted	NIL	NIL

**29 Disclosure of retirement benefits to the employees**
**Defined Benefit Plan :**

Expenses recognized during the year ended 31st March, 2017.

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
	Gratuity	Gratuity
Current service cost	1,10,539	19,188
Interest cost	-	-
Actuarial losses/(gains)	-	-
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>1,10,539</b>	<b>19,188</b>

Net Assets(liability) recognized in the Balance Sheet as at 31st March, 2017

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
	Gratuity	Gratuity
Present value of defined benefit obligation	2,37,200	1,26,661
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(2,37,200)</b>	<b>(1,26,661)</b>

Reconciliation of Net Assets(liability) recognized in the Balance Sheet during the year ended 31st March, 2017

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
	Gratuity	Gratuity
Net liability at the beginning of the year	1,26,661	1,07,473
Expenses as above	1,10,539	19,188
Benefit paid	NIL	NIL
Transfer of liabilities	NIL	NIL
<b>Net liability at the end of the year</b>	<b>2,37,200</b>	<b>1,26,661</b>

Actuarial assumptions

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
	Gratuity	Gratuity
Rate of interest	8.01%	8.01%
Salary growth	7.57%	6.00%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Retirement Age	60 years	60 years

**30 Related Party Disclosures**
**30.1**
**Details of related parties**

Description of relationship	Names of related parties
Enterprises in which KMP / Relatives of KMP are interested as Director / Member / Partner	Zaveri & Co. Pvt. Ltd. Zaveri Enterprise Pvt. Ltd. Zaveri Finstock Pvt. Ltd. Zaveri & Co Jewellers Pvt. Ltd. Zaveri Comtrade Pvt. Ltd. Sarabai Enterprises Pvt. Ltd. Chokshi Estate Pvt. Ltd. Panchratna Infrastructure Pvt. Ltd. Priyal Projects Pvt. Ltd. Priyal International Pvt. Ltd. Zaveri & Co. Exports Saumya Developers Keshavaji Developers Achal Raj Priyal Realty Soni Pranjivandas Virjibhai Atit Developers LLP Amazo Projects LLP Zaveri Infracon LLP Jagdambey Hydro Projects LLP Zaveri & Co (Gujarat) LLP Amazo Arcade LLP Khandwala & Zaveri Developers LLP Amazo Wind Farm LLP Amazo Power LLP P K Z Developers LLP P K Z Realty LLP Atit Realty LLP Bricks Bonds Realty LLP Zaveri Energy LLP (erstwhile Zaveri Energy Pvt. Ltd.) Zaveri Realty LLP Ananta Exim LLP Vrundavan Garden LLP (erstwhile Vrundavan Garden Pvt. Ltd.) Atit Infrastructure LLP (erstwhile Atit Infrastructure Pvt. Ltd.) Amazo Infraspace LLP Myspace Infracon LLP S K Z Developers LLP
Firm in which company is Partner	Swadeshi Distributors LLP
Key Management Personnel	Shri Kishor Mandalia, Managing Director & CEO  Shri Zaverilal Mandalia  Shri Vipul Mandalia

**30.2**
**Transactions during the year with related parties**

Sr. No.	Nature of Transactions	Key Management Personnel	Firm in which Company is Partner	Entities in which Key Management Personnel & their relatives interested	Total
1	Purchase of goods	NIL (NIL)	NIL (NIL)	706678820 (NIL)	706678820 (NIL)
2	Sale of goods	NIL (NIL)	NIL (NIL)	NIL (8225172)	NIL (8225172)
3	Loans & Advances taken from	NIL (6500000)	NIL (NIL)	NIL (NIL)	NIL (6500000)
4	Loans & Advances repaid to	NIL (6500000)	NIL (NIL)	NIL (NIL)	NIL (6500000)
5	Loan & Advances given	NIL (NIL)	224570000 (NIL)	NIL (NIL)	224570000 (NIL)
6	Loans & Advances received back	NIL (NIL)	65400000 (NIL)	NIL (NIL)	65400000 (NIL)
7	Brokerage Paid	NIL (NIL)	NIL (NIL)	40624 (73559)	40624 (73559)
8	Rent Paid	NIL (NIL)	NIL (NIL)	118800 (118800)	118800 (118800)
9	Interest Received	NIL (NIL)	33953710 (NIL)	NIL (NIL)	33953710 (NIL)
10	Sitting Fees	12000 (15000)	NIL (NIL)	NIL (NIL)	12000 (15000)
11	Reimbursement Given to	2400 (5522)	NIL (NIL)	NIL (NIL)	2400 (5522)
12	Purchase of Fixed Assets	NIL (NIL)	NIL (NIL)	NIL (4080000)	NIL (4080000)
13	Capital Contribution (Net)	NIL (NIL)	17900000 (186340624)	NIL (NIL)	17900000 (186340624)
14	Sales of Fixed Assets	NIL (NIL)	NIL (NIL)	6521489 (NIL)	6521489 (NIL)
15	<u>Balances outstanding at the end of the year</u> Loan & Advances Receivable	NIL (NIL)	159170000 (NIL)	NIL (NIL)	159170000 (NIL)

Note: Figures in bracket relates to the previous year

**31 Effect of change in accounting policy:-**

Guidance Note on Accounting for Derivatives Contracts issued by The Institute of Chartered Accountants of India provides that derivatives with no hedging relationship are recognised and measured at fair value in the balance sheet with changes in fair value being recognised in the Statement of Profit and Loss. In order to align the accounting policy with the requirement of this Guidance Note the Company has recognised fair value loss of Rs.1,20,200/- in the Statement of Profit and Loss on the open position of Derivative Contracts at year ended 31-03-2017 and consequent to this profit for the year is lower to that extent.

**32 Earning per Share :-**

Particulars	For the year ended	For the year ended
	31 March, 2017	31 March, 2016
	Rupees	Rupees
<b>Earnings per share</b>		
Net profit / (loss) attributable to the equity shareholders	5,45,01,215	48,05,256
Weighted average number of equity shares	1,36,23,552	1,36,23,552
Face value per Equity share	10	10
Basic & Diluted Earnings Per Share	4.00	0.35

**33**

The figures are rounded off to nearest rupee.

**34**

As per the requirements of Accounting Standard 22, there is no deferred tax liability for the company. On account of unabsorbed depreciation and carry forward of losses under tax laws, deferred tax assets are not recognized in view of uncertainty that such deferred tax assets can be realized against future taxable profits.

**35**

The Company has not received any intimation from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure if any, relating to amount unpaid as at the year and together with interest paid, payable as required under that act have not been given.

**36**

Contingent liability not provided in accounts/not acknowledged as debt by the company :

The Company's assessments under Income Tax Act, 1961, have been completed upto ITAY 2014-15. In respect of additions to Total Income made vide the respective assessment orders, the company is in appeal before the appellate authorities. However due to the set off of brought forward losses and unabsorbed depreciation as per the provisions of Income Tax Act, 1961, there is no tax payable in any of the assessment years. As and when the appeals will be decided the brought forward losses and unabsorbed depreciation, so set off will be restored depending upon appellate orders.

**37**

Details of Future &amp; Option contracts outstanding (open interest)

Name of script	Position	Number of contracts	
		As at 31-03-2017	As at 31-03-2016
OPT ADANI POWER 27/04/2017 PE	Short	5	-
OPT ADANI POWER 27/04/2017 CE	Long	5	-
F ADANI ENT 28/04/2016	Long	-	30000
F INDUSINDBK 28/04/2016	Long	-	36000
F RECLTD 28/04/2016	Long	-	58000
F GOLDM 05/04/2016	Short	-	5800

**38**

Previous year figures have been regrouped and rearranged to make them comparable with the current year figures.

**39**

The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below:-

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11. 2016	563000	129694	692694
(+) Permitted receipts	0	230000	230000
(-) Permitted payments	0	8132	8132
(-) Amount deposited in Banks	563000	0	563000
Closing cash in hand as on 30.12. 2016	0	351562	351562

**40**

Details of Expenditure incurred on 'Corporate Social Responsibility Activities' are as under :

(a) Gross amount required to be spent by the company during the year : Rs.27,25,193/- (P.Y. - Rs.28,03,883/-)

(b) Total amount unspent at the end of the year : Rs.27,25,193/- (P.Y. - Rs.28,03,883/-)

**41**

Details of Inter Corporate Loans given :

Name of Entity	Loan given during the year	Loan received back during the year	Maximum balance outstanding during the year
	Rupees	Rupees	Rupees
Parker Multi Commodities (I) Pvt. Ltd.	46,80,00,000	48,90,95,160	18,75,00,000
GGC Gujarat Gold Centre Pvt Ltd.	1,00,00,000	1,00,00,000	1,00,00,000
Ishaan Portfolio Pvt Ltd.	14,05,00,000	14,05,00,000	14,05,00,000
Grover Zampa Vineyards Ltd	3,00,00,000	-	3,00,00,000





# AuSom Enterprise Limited

**REGISTERED OFFICE :**

11-B, NEW AHMEDABAD INDUSTRIAL ESTATE,  
SARKHEJ-BAVLA ROAD, VILLAGE- MORAIYA-382 213.  
DIST.:- AHMEDABAD. GUJARAT.



CIN: L67190GJ1984PLC006746

Regd. Office: 11-B, New Ahmedabad Industrial Estate, Sarkhej-Bavla Road, Village - Moraiya - 382 213. Dist. Ahmedabad

Corporate Office: 606, Swagat Building, Nr. Lal Bunglow, C.G. Road, Ahmedabad - 380 006.

Phone: (079) 2642 1422-1499 Fax: (079) 2656 9898 E-mail: ausom.ael@gmail.com Website: www. ausom.in

**ATTENDANCE SLIP**

(To be presented at the entrance)

**33RD ANNUAL GENERAL MEETING ON THURSDAY, THE 28TH SEPTEMBER, 2017 AT 10.30 A.M.**

Folio No. \_\_\_\_\_ DP ID No. \_\_\_\_\_ Client ID No. \_\_\_\_\_

Name of the Member: \_\_\_\_\_ Signature: \_\_\_\_\_

Name of the Proxyholder \_\_\_\_\_ Signature: \_\_\_\_\_

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.



CIN: L67190GJ1984PLC006746

Regd. Office: 11-B, New Ahmedabad Industrial Estate, Sarkhej-Bavla Road, Village - Moraiya - 382 213. Dist. Ahmedabad

Corporate Office: 606, Swagat Building, Nr. Lal Bunglow, C.G. Road, Ahmedabad - 380 006.

Phone: (079) 2642 1422-1499 Fax: (079) 2656 9898 E-mail: ausom.ael@gmail.com Website: www. ausom.in

**FORM NO. MGT-11-PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**CIN: L67190GJ1984PLC006746**

**Name of the Company: AUSOM ENTERPRISE LIMITED**

**Registered Office: 11-B, NEW AHMEDABAD INDUSTRIAL ESTATE, SARKHEJ-BAVLA ROAD, VILLAGE - MORAIYA - 382 213. DIST. AHMEDABAD**

Name of the member (s):	
Registered address:	
E-mail ID:	
Folio No/ Client Id No.:	
DP ID:	

I/We, being the member (s) of .....shares of the above named company, hereby appoint

1. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address: \_\_\_\_\_  
Signature: \_\_\_\_\_

Or failing him

2. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address: \_\_\_\_\_  
Signature: \_\_\_\_\_

Or failing him

3. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address: \_\_\_\_\_  
Signature: \_\_\_\_\_

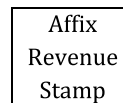
As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on the 28th September, 2017 at 10.30 a.m. at 11-B, New Ahmedabad Industrial Estate, Sarkhej-Bavla Road, Village - Moraiya - 382 213. Dist. Ahmedabad and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution No.**

Item No.	Description	For	Against
1.	Adoption of Audited Financial Statements for the financial year ended 31 <sup>st</sup> March, 2017, the Statement of Profit & Loss for the year ended on that date together with the report of the Board of Directors' and Auditors' thereon (Ordinary Resolution)		
2.	Mr. Zaverilal V. Mandalia retires by rotation and being eligible for re-appointment (Ordinary Resolution)		
3.	Appointment of auditors and fixing their remuneration. (Ordinary Resolution)		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

Signature of shareholder: \_\_\_\_\_ Signature of Proxy holder(s): \_\_\_\_\_



Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.