



AuSom Enterprise Limited

Ref. No.: AEL/SEC/STOCK/2020-2021

Date: - 7th September, 2020

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

To,
The Listing Department, 5th 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**

Subject: Notice of 36th Annual General Meeting along with the Annual Report of the Company for the financial year 2019-2020

Dear Sir/Madam,

With reference to the captioned subject, we are submitting herewith the Notice of 36th Annual General Meeting along with the Annual Report of the Company for the financial year 2019-2020, which is being sent to the shareholders by Electronic Mode.


The 36th Annual General Meeting (AGM) of the Company will be held on Wednesday, 30th September, 2020 at 01:00 P.M. through Video Conferencing ('VC')/Other Audio Visual means('OAVM').

The Company has availed remote e-voting services of National Securities Depository Limited and below is schedule of the events for remote e-voting:

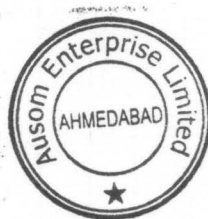
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| 1 | Cut-off date to record the entitlement of the shareholders to cast their vote electronically | Wednesday, 23 rd September, 2020 |
| 2 | Date and time of commencement of voting through electronic means | Sunday, 27 th September, 2020 (from 9.00 a.m.) |
| 3 | Date and time of end of voting through electronic means | Tuesday, 29 th September, 2020 (upto 5:00 p.m.) |
| 4 | Date of declaration of results by the Chairman | On or after 30 th September, 2020 (within prescribed statutory time limits) |

You are requested to kindly take the above on your records.

Thanking you,
For AuSom Enterprise Limited



Yogesh Ghatge
Company Secretary



Encl: A/a

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

36th
Annual Report 2019-20



AuSom Enterprise Limited

| | | |
|--|---|---|
| CHAIRMAN | : | MR. ZAVERILAL V. MANDALIA |
| MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER | : | MR. KISHOR P. MANDALIA |
| DIRECTORS | : | MR. VIPUL MANDALIA MR. GHANSHYAMBHAI AKBARI MR. HITESH ADESHARA MRS. NIRUPAMA VAGHJANI |
| COMPANY SECRETARY & COMPLIANCE OFFICER | | MR. YOGESH GHATGE |
| CHIEF FINANCIAL OFFICER (CFO) | : | MR. RUPESH SHAH |
| AUDITORS | : | M/S. SWETA PATEL & ASSOCIATES CHARTERED ACCOUNTANTS AHMEDABAD |
| BANKERS | : | HDFC BANK LIMITED INDUSIND BANK LIMITED AXIS BANK LIMITED KOTAK MAHINDRA BANK LIMITED ICICI BANK LIMITED YES BANK LIMITED STANDARD CHARTERED BANK |
| REGISTERED OFFICE | : | 11-B, NEW AHMEDABAD INDUSTRIAL ESTATE, SARKHEJ-BAVLA ROAD, VILLAGE - MORAIYA-382 213. DIST.:- AHMEDABAD. GUJARAT. |
| CORPORATE OFFICE | : | 606, 'SWAGAT' NEAR 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 EXERCISE CONTROL, DIRECTLY OR INDIRECTLY OVER **AUSOM ENTERPRISE LIMITED**.

| SR. NO. | NAME OF THE INDIVIDUALS/PERSONS CONSTITUTING GROUP | REMARK |
|----------------|---|---------------|
| 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 Sixth (36th) Annual General Meeting of the Members of **M/S. AUSOM ENTERPRISE LIMITED** (CIN: L67190GJ1984PLC006746) will be held on Wednesday, the 30th day of September, 2020 at 01.00 p.m. through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including Consolidated Financial Statements) of the Company for the financial year ended 31st March, 2020, the Statement of Profit and Loss for the year ended on that date together with the Report of the Board of Directors' and Auditors thereon.
2. To appoint a Director in place of Mr. Vipul Z. Mandalia (DIN: 02327708), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:**3. Continuation of appointment of Mrs. Nirupama H. Vaghjani as an Independent Non-Executive Director**

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

“RESOLVED THAT pursuant to the provisions of the Companies Act, 2013 and Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or reenactment(s) thereof for the time being in force) consent of the Members of the Company be and is hereby accorded for the continuation of Directorship of Mrs. Nirupama H. Vaghjani (DIN 06956012), who is not liable to retire by rotation, on the Board of the Company notwithstanding her attaining the age of Seventy-five (75) years on November 13, 2020.”

4. Authority for giving loan(s) to an entity under the category ‘a person in whom any of the director of the company is interested’

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

“RESOLVED THAT in supersession of the earlier Resolution passed by the Members in their Meeting held on September 27, 2018 and pursuant to the provisions of Section 185 of the Companies Act, 2013, as amended by the Companies (Amendment) Act, 2017 (“said Section”), approval of members of the Company be and is hereby accorded for giving loan(s) to an entity under the category 'a person in whom any of the director of the company is interested' as specified in the explanation to Sub-section 2(b) of the said Section, an aggregate outstanding amount at any point of time shall not exceeding Rs. 1000.00 crores (Rupees One Thousand Crores only) on such terms and conditions including rate of interest, repayment etc. to be decided by the Board of Directors of the company in its interest from time to time.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any committee thereof) be and is hereby authorized to negotiate, finalise and agree the terms and conditions of the said loan and to take all necessary steps including to execute all documents, instruments and writings and to do all necessary acts, deed and things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things incidental or expedient thereto and as the Board may think fit and suitable.”

Place:- Ahmedabad
Date:- 1st September, 2020

By Order of the Board of Directors
For AuSom Enterprise Limited

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

Yogesh Ghatge
Company Secretary & Compliance Officer

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 (“SEBI Circular”) has permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and MCA Circulars, the AGM of the Company is being held through VC.
2. A statement giving the relevant detail of the Directors seeking appointment/ reappointment under item no. 3 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.
3. The requirement to place the matter relating to appointment of Auditors for ratification by member at every AGM is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of auditors, who were appointed in the Annual General Meeting held on September 28, 2017.
4. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC and participate thereat and cast their votes through e-voting.
5. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013.
6. Since the AGM is being held through VC, the route map is not annexed in this Notice.
7. The Notice of the 36th Annual General Meeting along with the Annual Report for the financial year 2019-20 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA and SEBI Circulars. Members may note that the Notice of 36th Annual General Meeting and Annual Report for the financial year 2019-20 will also be available on the Company's website www.ausom.in, websites of the Stock Exchanges i.e. National Stock Exchange of India Ltd and BSE Limited at www.nseindia.com and www.bseindia.com respectively. Members can attend and participate in the AGM through VC/OAVM facility only
8. Corporate Members intending to send their authorized representatives to attend the 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.
9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available electronically for inspection by the members during the AGM.
10. The Register of Members and Share Transfer Books shall remain closed from Friday, the 25th September, 2020 to Wednesday, the 30th September, 2020 (both days inclusive).

11. Members are advised to avail Nomination facility as well as Dematerialization facility.
12. The Company has appointed M/s. Link Intime India Private Limited 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.
13. 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.
14. 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.
15. 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 – 36th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services as provided by National Securities Depository Limited (NSDL). The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by NSDL.
 - II. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

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 voting period begins on, Sunday, 27th September, 2020 at 9:00 a.m. and ends on, Tuesday, 29th September, 2020 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. Wednesday, 23rd September, 2020, may cast their vote electronically. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off. The e-voting module shall be disabled for voting thereafter. The procedure and instructions for the same are as follows:**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

- Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**
Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL:
<https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12***** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

- a) Click on **“Forgot User Details/Password?”**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) **Physical User Reset Password?”** (If you are holding shares in physical mode) option available on www.evoting.nsdl.co.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

8. Now, you will have to click on “Login” button.

9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of the Company which is 114203 to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csneerajtrivedi@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

- a. Members will be able to attend the AGM through VC or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN for Company's AGM.

Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.

- b. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
- c. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/ 1800-222-990.

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 after the conclusion of voting at the Meeting, will first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting 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, forthwith, 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 NSDL immediately after the result is declared by the Chairman 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 Sunday and other public holidays, up to and including the date of the Annual General Meeting of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013 ("THE ACT") ITEM NO. 3

Mrs. Nirupama H. Vaghjiani, aged 74, is the Non-Executive Independent Director of the Company. In accordance with Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, no listed entity shall appoint a person or continue the Directorship of any person as a Non-Executive Director who has attained the age of seventy-five years unless a special resolution is passed to that effect.

Mrs. Nirupama H. Vaghjiani will attain the age of 75 years in November, 2020 and the continuation of her Directorship will be subject to approval by the shareholder by special resolution. Hence the approval of the shareholders is sought for the continuation of her Directorship on the Board of the Company even after attaining the age of 75 years.

The Board of the Company is of the opinion that Mrs. Nirupama H. Vaghjiani has been an integral part of the Board and has provided valuable insights to the Company and her continuation as Director will be in the interest of the Company notwithstanding her completion of seventy five years of age. Hence the Board recommends the resolution set out in item No. 3.

Except Mrs. Nirupama H. Vaghjiani, being appointee and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the accompanying Notice of the AGM. Mrs. Nirupama H. Vaghjiani is not related to any Director of the Company.

ITEM NO. 4

The Shareholders at Annual General Meeting held on 27th September, 2018 passed a special resolution to give their consent for giving loan(s) to an entity under the category 'a person in whom any of the director of the company is interested' as specified in the explanation to Sub-section 2(b) of the said Section, an aggregate outstanding amount at any point of time shall not exceeding Rs. 1000.00 crores (Rupees One Thousand Crores only) on such terms and conditions including rate of interest, repayment etc. to be decided by the Board of Directors of the company in its interest from time to time.

Now the Board of Directors at its meeting held on 1st September, 2020 decided to include few more related entities in addition to the existing approved entities. Hence, this resolution is recommended for approval of Members of the Company in supersession of the earlier Resolution passed by the Members in their Meeting held on 27th September, 2018.

Particulars of information pursuant to section 185 (2) (a) of Companies Act 2013 are:

1. Particulars of Loan given / to be given:

The company proposes to give loan to M/s. ZAVERI AND COMPANY PRIVATE LIMITED, SGH REALTY LLP, BSAFAL.KZ ESTATE LLP, IGR AUSOM LLP and SWADESHI DISTRIBUTORS LLP an aggregate outstanding amount not exceeding Rs. 1,000.00 crores. The terms and conditions of such loan shall be decided by the board from time to time. However, the company will make sure that the return on such loan in any case shall not be less than the rate of interest lesser than government security.

2. Purpose of Loan given / to be given:

The loan to be given to such entities will be for attainment of their main business activity and the company will periodically verify and make sure that such loan is being used by the borrower is in compliance with the end use for which it has been given to that entities.

3. Terms of loan given / to be given:

Terms of loan including rate of interest, repayment, security etc. shall be decided by the company and the borrower on mutually basis and also considering other factors.

Pursuant to the provision of Section 185 of amended Companies Act 2013, the company, including public company / Body Corporate, can give loan to other associates where the directors are directly or indirectly interested. Giving such loan shall be subject to conditions as mentioned in the said section read with rules framed thereunder. One of the condition of such loan is that company can give loan with the consent of the shareholders by way of special resolution. The resolution at Sr. No. 4 to this notice is for your approval. The management of the company is of the view that considering the requirements of such companies/ body corporates, the management is of the view that your company should take approval from the shareholders so that loan to such companies can be given to an aggregate outstanding amount at any point of time shall not exceeding of Rs. 1000.00 crores on the terms and conditions to be mutually agreed between the company and the borrower.

Further at the annual general meeting held on 27th September, 2018, you have already accorded your consent to the company under section 186 of the Companies Act, 2013 to invest, give guarantee or provide security aggregating to Rs. 1000.00 crores.

None of the Directors except Mr. Zaverilal V. Mandalia, Mr. Kishor P. Mandalia and Mr. Vipul Z. Mandalia or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution.

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

**Place:- Ahmedabad
Date:- 1st September, 2020**

**Yogesh Ghatge
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

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 and Secretarial Standards-2 issued by The Institute of Company Secretaries of India.

(A) MR. VIPUL Z. MANDALIA (DIRECTOR RETIRING BY ROTATION)

| | |
|---|--|
| Directors Identification Number (DIN) | 02327708 |
| Age | 39 |
| Qualification | BBA. |
| Experience and expertise | He has around 15 years of experience in the field of Jewellery Business, Import-Export of Ornaments. |
| Date of first Appointment on the Board of the Company | 07/08/2009 |
| Shareholdings in the Company | Equity Share 8,36,420 |
| Terms and conditions of re-appointment | Mr. Vipul Z. Mandalia retires by rotation at the ensuing AGM and being eligible, seeks re-appointment. The terms and conditions of re-appointment of Mr. Vipul Z. Mandalia are in accordance with the provisions of Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws, as may be applicable |
| Remuneration last drawn | Refer to Report on Corporate Governance |
| Number of Meetings of the Board attended during the year | 5 out of 5 |
| List of Directorship held in other companies | Refer to Report on Corporate Governance |
| Membership / Chairmanship in Committees of other companies as on date | Refer to Report on Corporate Governance |
| Relationships between Directors inter-se | Refer to Report on Corporate Governance |

(B) MRS. NIRUPAMA H. VAGHJIANI

| | |
|---|--|
| Directors Identification Number (DIN) | 06956012 |
| Age | 74 |
| Qualification | Under graduate |
| Experience and expertise | 28years of experience in the field of Sales & Marketing of Gold, Silver, Jewellery and Ornaments. |
| Date of first Appointment on the Board of the Company | 23/08/2014 |
| Shareholdings in the Company | Nil |
| Terms and conditions of re-appointment | As per the resolution at item no. 3 of the Notic convening Annual General Meeting to be held on 30 th September, 2020 read with explanatory statement thereto |

| | |
|---|---|
| Remuneration last drawn | Refer to Report on Corporate Governance |
| Number of Meetings of the Board attended during the year | 4 out of 5 |
| List of Directorship held in other companies | Refer to Report on Corporate Governance |
| Membership / Chairmanship in Committees of other companies as on date | Refer to Report on Corporate Governance |
| Relationships between Directors inter-se | Refer to Report on Corporate Governance |

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

**Place:- Ahmedabad
Date:- 1st September, 2020**

**Yogesh Ghatge
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

DIRECTORS' REPORT

To
The Members,
M/s. AUSOM ENTERPRISE LIMITED
Ahmedabad

Your Directors have pleasure in submitting their 36th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2020.

1. FINANCIAL RESULTS

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

(Amount in ₹)

| PARTICULARS | Standalone & Consolidated* | |
|--|---|--|
| | Current Year 31 st March 2020 | Previous Year 31 st March 2019 |
| Net Sales /Income from Business Operations | 10,72,71,08,200 | 4,41,45,55,878 |
| Other Income | 30,14,11,868 | 10,48,40,698 |
| Total Income | 11,02,85,20,068 | 4,51,93,96,576 |
| Profit before Depreciation | 22,52,73,427 | 12,69,57,396 |
| Less: Depreciation | 1,43,998 | 52,026 |
| Profit after depreciation but before tax | 22,51,29,429 | 12,69,05,370 |
| Less: Current Income Tax | 5,00,10,219 | 2,72,05,822 |
| Less: Previous year/s adjustment of Income Tax | Nil | Nil |
| Less: Deferred Tax | Nil | Nil |
| Net Profit after Tax | 17,51,19,210 | 9,96,99,548 |
| Dividend (including Interim if any and final) | Nil | Nil |
| Net Profit after dividend and Tax | 17,51,19,210 | 9,96,99,548 |
| Amount transferred to General Reserve | Nil | Nil |
| Balance carried to Balance Sheet | 17,51,19,210 | 9,96,99,548 |
| Earnings per share (Basic) | 12.85 | 7.32 |
| Earnings per Share (Diluted) | 12.85 | 7.32 |

*The figures mentioned above remains the same for standalone statement and also for consolidated statement and hence not separately provide for.

The company has prepared its financial statements in accordance with IND-AS.

2. DIVIDEND

With a view to conserve funds for future expansion and modernization requirements, your Directors intend to plough back the profit and hence not recommend Dividend for the year under reference.

3. AMOUNTS TRANSFERRED TO RESERVES

During the year, Company earned profit of Rs. 17.51 Cr. which has been transferred to surplus in the Statement of Profit and Loss. As a result as on 31-03-2020 the total reserve and surplus is amounting to Rs. 82.86 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. 1072.71 Cr. as against Rs. 441.46 Cr. for the previous year. Similarly, the Company has generated net profit amounting to Rs. 17.51 Cr. (PAT) as against Rs. 9.97 Cr. (PAT) for the previous year.

The Company during current year is anticipating to achieve gross turnover of Rs. 1500 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.

- Segment wise position of business and its operation: As the Company's business activities fall within a single primary business segment viz "trading in Commodities, Bullions, Gold Jewellery, Diamonds, Derivatives, Shares and Securities" the disclosure requirements of segment wise position of business and its operations are not applicable.
- Key business developments if any; Nil
- Details and status of acquisition, merger, expansion, modernization and diversification if any; Not Applicable
- Any other material event having an impact on the affairs of the company, if any; Nil
- Capital expenditure programmes, if any; Not Applicable

5. REDEMPTION OF PREFERENCE SHARES

The Company has issued and allotted 2,00,00,000, 16.5 % Cumulative Redeemable Participating Preference Shares (CRPPS) of Rs. 10/- each aggregating to Rs. 20,00,00,000/- on 09th December, 1999. As per the terms and conditions of this issue, originally the CRPPS were to be redeemed in three equal installments i.e. on 9th December, 2006, 9th December 2007 and 9th December, 2008. However due to inadequacy of profit, the Company obtained consent from the Preference shareholders for extension every year, which the company has been granted. Even due to said inadequacy of profit, a term of dividend of CRPPS has been modified with effect from 01-04-2013 from 16.5% Cumulative to 1.5% Non-Cumulative Redeemable Participating preference shares (NCRPPS).

The Company has fully redeemed 2,00,00,000 shares of Rs.10 each at par amounting to RS. 2,000/- Lakhs as on 14th November, 2019. The said redemption was done out of the accumulated profits, as per terms of issue.

On account of redemption of CRPPS, the right of existing equity shareholders and creditors were not effect.

6. 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.

Considering the nature of business the Company is into, the COVID-19 pandemic does not have major impact on the operation of the Company.

7. 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.

8. 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.

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 spend total amount required to be spent 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'**.

The same is also available on the website of the Company:
www.ausom.in/PDF/Annual-Return/Annual%20Return_MGT-9_2020_AUSOM%20ENTERPRISE%20LIMITED.pdf

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

STATUTORY AUDITORS

M/s. SWETA PATEL & ASSOCIATES, Chartered Accountants, Ahmedabad was appointed as Statutory Auditors at the 33rd Annual General Meeting of the Company held on 28th September, 2017 who shall hold such office for a period of 5 years until the conclusion of 38th Annual General Meeting. There is no qualification or adverse remarks or disclaimers made by the auditors in their report on the financial statements of the Company for the financial year ended 31st March, 2020. The Statutory Auditors have not reported any incident of fraud to the Audit Committee during the year under review.

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 2019-20. The Secretarial Audit Report in prescribed format MR-3 for the financial year ended March 31, 2020 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 and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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'**. No personnel have been denied access to the Audit Committee.

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.

During the year under consideration, the Company has earned Foreign Exchange amounting earning Rs. 1045.53 Cr. (Previous years Rs. 420.33 Cr) and outgo is Rs. 1028.35 Cr. (Previous years Rs. 413.92 Cr.)

18. DIRECTORS AND KEY MANAGERIAL PERSONNELS

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

Mrs. Nirupama H. Vaghjiani, aged 74, is the Non-Executive Independent Director of the Company. In accordance with Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, no listed entity shall appoint a person or continue the Directorship of any person as a Non-Executive Director who has attained the age of seventy-five years unless a special resolution is passed to that effect. Mrs. Nirupama H. Vaghjiani will attain the age of 75 years in November, 2020 and the continuation of her Directorship will be subject to approval by the shareholder by special resolution. Hence the approval of the shareholders is sought for the continuation of her Directorship on the Board of the Company even after attaining the age of 75 years.

The detailed profiles of above Directors are provided in the Notice to this report as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, there was no change in the Key managerial Personnel of the Company.

All the Directors of the Company have confirmed that they are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and not debarred or disqualified by the SEBI / Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as Director of the Company or any other Company where such Director holds such position in terms of Regulation (10)(I) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A Certificate to this effect, duly signed by Shri Niraj Trivedi, Practicing Company Secretary is annexed as **Annexure-‘H’** to this report.

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.

Separate meeting of Independent Directors of the Company was held on 4th February, 2020 and it reviewed the performance of Non-Independent Directors & the Board as a whole and also reviewed the performance of Chairman of the Company. The same was discussed in the board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and individual Directors was also discussed.

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–'I'** 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: At present there are two employees on the payroll of the Company. The details of their remuneration are given in Annexure- 'E' point number VI (c).
- (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 2019-20, total 5 (Five) meetings of Board of Directors were held respectively on 24/05/2019, 13/08/2019, 14/11/2019, 08/01/2020 and 04/02/2020.

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 4, 11 and 36 to this Financial Statement.

22. SUBSIDIARIES AND JOINT VENTURES:

The Company during the year under consideration has formed a LLP (joint venture) namely IGR AUSOM LLP. The Company does not have any subsidiary company as on 31st March, 2020.

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared Consolidated Financial Statements and the same is part of this Annual Report. Further, a statement containing salient features of the Financial Statements of the Company's joint venture is given in prescribed form AOC-1. The said form is attached at **Annexure – 'J'**.

23. 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 – 'K'**.

24. 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.

25. 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.

26. 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 2019-20, no case has been filed under the said act.

27. CONSTITUTION OF INTERNAL COMPLAINTS COMMITTEE UNDER SEXUAL HARRESSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSEL) ACT 2013.

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

28. SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

29. MAINTENANCE OF COST RECORDS

The Company is not required to maintain any cost records as specified by Central Government under Section 148(1) of the Companies Act, 2013 and accordingly such accounts and records are not made and maintained by the Company.

30. 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.

31. 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: 1st September, 2020**

**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, 2020 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. In the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management. 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 28th September, 2019 | 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 | 05 | Nil | Nil | Relative of Mr. Kishor Mandalia and Mr. Vipul Mandalia | 804547/ (5.91) |
| 2 | Mr. Kishor Mandalia | Promoter/ Executive Director | 05 | No | 08 | Nil | Nil | Relative of Mr. Zaverilal Mandalia and Mr. Vipul Mandalia | 1189102/ (8.73) |
| 3 | Mr. Vipul Mandalia | Promoter/ Non- Executive Director | 05 | Yes | 02 | Nil | Nil | Relative of Mr. Zaverilal Mandalia and Mr. Kishor Mandalia | 836420/ (6.14) |
| 4 | Mr. Hitesh Adeshara | Non-Executive / Independent Director | 04 | Yes | NIL | Nil | Nil | Not Applicable | NIL |
| 5 | Mr. Ghanshya mbhai Akbari | Non-Executive / Independent Director | 04 | Yes | 01 | Nil | Nil | Not Applicable | NIL |
| 6 | Mrs. Nirupama Vaghjiani | Non-Executive / Independent Women Director | 04 | Yes | NIL | Nil | Nil | Not Applicable | NIL |

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

Names of the Listed Entities where person is a Director and category of Directorship

None of the Director is holding Directorship in any other listed company as on 31st March, 2020.

As required under the provisions of Schedule V(C)(2)(h) of the Listing Regulations, the Board of Directors has identified the core skills / expertise / competencies as required in the context of its business(es) and sector(s) for it to function effectively, those actually available with the Board and the details of the name of director(s) who possess specific skills / expertise / competencies are as follows:

| Sr. No. | Name of Director(s) | Core skills / Expertise / Competencies |
|---------|--------------------------|---|
| 1. | Mr. Zaverilal Mandalia | <ul style="list-style-type: none"> ✓ Entrepreneurship and Leadership ✓ Strategic Planning ✓ Industry Experience ✓ Communication and Negotiation ✓ Marketing & Sales |
| 2. | Mr. Kishor Mandalia | <ul style="list-style-type: none"> ✓ Entrepreneurship and Leadership ✓ Strategic Planning ✓ Industry Experience ✓ Communication and Negotiation ✓ Organization Management ✓ Banking, Treasury & Forex Management ✓ Financial, Regulatory / Legal & Risk Management ✓ Corporate Governance |
| 3. | Mr. Vipul Mandalia | <ul style="list-style-type: none"> ✓ Entrepreneurship and Leadership ✓ Strategic Planning ✓ Industry Experience ✓ Banking, Treasury & Forex Management ✓ Financial, Regulatory / Legal & Risk Management ✓ Corporate Governance |
| 4. | Mr. Hitesh Adeshara | <ul style="list-style-type: none"> ✓ Marketing & Sales ✓ Performance Oriented ✓ Industry Experience ✓ Corporate Governance |
| 5. | Mr. Ghanshyambhai Akbari | <ul style="list-style-type: none"> ✓ Financial, Accounting, Regulatory / Legal & Risk Management ✓ Performance Oriented ✓ Industry Experience ✓ Corporate Governance |
| 6. | Mrs. Nirupama Vaghjiani | <ul style="list-style-type: none"> ✓ Marketing & Sales ✓ Performance Oriented ✓ Industry Experience ✓ Corporate Governance |

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

During the financial year 2019-20, Board of Directors met 05 (Five) 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 st Quarter - From April to June, 2019. | 24 th May, 2019 |
| 2 nd Quarter - From July to September, 2019. | 13 th August, 2019 |
| 3 rd Quarter - From October to December, 2019. | 14 th November, 2019 |
| 4 th Quarter - From January to March, 2020. | 8 th January, 2020 and 4 th February, 2020 |

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

With a view to familiarize the Independent Directors with the Company's operations, separate meetings of the Independent Directors were convened on 4th February, 2020 (all Independent Directors were present) wherein the Directors were given detailed presentation covering the organizational 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. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision: Not Applicable during the year under review
21. 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 |

The Company Secretary acts as Secretary to the Committee.

Meetings Details:

In the financial year 2019-20, the Audit Committee met 04 (Four) times i.e. on 24-05-2019, 13-08-2019, 14-11-2019 and 04-02-2020.

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.
- 6) Recommend to the board, all remuneration, in whatever form, payable to senior management

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 | 02 |
| Mr. Vipul Mandalia | Non-Executive Director/ Promoter | 02 |
| Mrs. Nirupama Vaghjani | Non-Executive Independent Director | 02 |

Meetings Details:

In the financial year 2019-20, the Nomination and Remuneration Committee met 02 (Two) times on 13-08-2019 and 04-02-2020.

5. 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 4th February, 2020, 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

All the Board Members and the Senior Management Personnel have affirmed compliance with the 'Code of Conduct' during the Financial Year 2019-2020. A Declaration by the Managing Director to this effect is provided at **Annexure-1** which forms part of this Report.

6. 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 as specified in Schedule V Part C Point No. (5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 | 5,000/- |
| Mr. Vipul Mandalia | 5,000/- |
| Mr. Ghanshyam bhai Akbari | 4,000/- |
| Mr. Hitesh Adeshara | 4,000/- |
| Mrs. Nirupama Vaghjiani | 4,000/- |

7. 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 | 5 |
| Mr. Ghanshyambhai Akbari | Non-Executive Independent Director | 11 |
| Mrs. Nirupama Vaghjiani | Non-Executive Independent Director | 11 |

Compliance Officer

Mr. Yogesh Ghatge, 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 2019-20. Even as on the date of this report no complaint is pending.

Meetings Detail:

In the financial year 2019-20, the Stakeholder's Relationship Committee met 11 (Eleven) times during the year.

8. 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 (Chairman of the Committee) | Non-Executive Independent Director |

Meetings Details:

In the financial year 2019-20, the Corporate Social Responsibility Committee met on 4th February, 2020 during the year.

9. 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 (Chairman of the Committee) | Non-Executive Director/ Promoter |
| Mr. Ghanshyambhai Akbari | Non-Executive Independent Director |
| Mr. Hitesh Adeshara | Non-Executive Independent Director |

Meetings Details:

In the financial year 2019-20, the Risk Management Committee did not meet during the year.

10. 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 |
|-----------------------------------|----------------------------|--|
| 2016-2017 33 rd AGM | 28-09-2017 (10:30 a.m.) | No Special Resolution was passed in the meeting |
| 2017-2018 34 th AGM | 27-09-2018 (10:30 a.m.) | 1. Authority for giving Loan(s) to an entity under the category 'a person in whom any of the director of the company is interested' under Section 185 of the Companies Act, 2013 |
| 2018-2019 35 th AGM | 28-09-2019 (10:30 a.m.) | 1. Re-appointment of Smt. Nirupama H. Vaghjani as an Independent Non-Executive Director 2. Re-appointment of Shri Hitesh B. Adeshara as an Independent Non-Executive Director 3. Re-appointment of Shri Ghanshyambhai B. Akbari as an Independent Non-Executive Director |

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

11. 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 st Quarter ended on 30.06.2019 | 13th August, 2019 | 14th August, 2019 | The Financial Express - (Gujarati) The Indian Express - (English) |
| Unaudited Financial Results for 2 nd Quarter ended on 30.09.2019 | 14 th November, 2019 | 15 th November, 2019 | The Financial Express - (Gujarati) The Indian Express - (English) |
| Unaudited Financial Results for 3 rd Quarter ended on 31.12.2019 | 4 th February, 2020 | 5 th February, 2020 | The Financial Express - (Gujarati) The Indian Express - (English) |
| Audited Financial Results for 4 th Quarter and for the year ended on 31.03.2020 | 30 th June, 2020 | Not Applicable | Not Applicable |

Quarterly / Yearly results: Quarterly /Yearly financial results were placed on Company's website www.ausom.in.

Website: The Company has its own website 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.

12. GENERAL INFORMATION FOR SHAREHOLDER

| | | | |
|----|--|---|---|
| 1. | Financial Year of the Company | | 1 st April, 2019 to 31 st March, 2020 |
| 2. | Day, Date and Time of 36th AGM | : | Wednesday, the 30 th September, 2020 at 01.00 P.M. |
| 3. | Venue of AGM | : | Through video conferencing (VC) / other audio visual means (OAVM) |
| 4. | Dates of Book Closure | : | Friday, the 25 th September, 2020 to Wednesday, the 30 th September, 2020 (Both days inclusive) |
| 5. | Dividend payment date | : | No Applicable |
| 6. | Listing on Stock Exchanges | : | <p>BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001. (Scrip Code : 509009) (Scrip ID : AUSOMENT)</p> <p>National Stock Exchange of India Ltd. “Exchange Plaza” Bandra-Kurla Complex, Bandra (East) Mumbai: 400 051. (Scrip Symbol : AUSOMENT)</p> |
| 7. | Annual Listing Fees | : | The Company has paid Annual Listing Fees for the Financial Years 2020-21 to BSE Ltd. and National Stock Exchange of India Ltd. |
| 8. | Payment of Depository Fees | | Annual custody fee and custodial fee for the financial year 2020-21 has been paid to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). |

| | | | |
|------------|--|---|---|
| 9. | Company's ISIN No. with NSDL & CDSL | : | INE218C01016 |
| 10. | No. of Employees | : | 2 (Two) |
| 11. | Stock Market Data | : | 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-19 | 38.85 | 36.40 | 7305 | 39.85 | 35.20 | 46825 |
| May-19 | 42.35 | 32.05 | 19539 | 41.95 | 30.50 | 30557 |
| Jun-19 | 52.30 | 34.40 | 49526 | 51.35 | 33.20 | 130164 |
| Jul-19 | 38.70 | 31.75 | 18508 | 38.55 | 30.25 | 21563 |
| Aug-19 | 37.00 | 29.15 | 10063 | 37.30 | 28.60 | 20171 |
| Sep-19 | 36.10 | 28.20 | 4498 | 32.95 | 27.30 | 16397 |
| Oct-19 | 33.90 | 26.50 | 18047 | 34.15 | 25.25 | 17998 |
| Nov-19 | 49.40 | 26.00 | 100098 | 48.45 | 26.10 | 227829 |
| Dec-19 | 37.75 | 31.85 | 11577 | 38.20 | 32.50 | 25155 |
| Jan-20 | 40.25 | 34.05 | 4333 | 40.40 | 34.35 | 18815 |
| Feb-20 | 45.30 | 35.00 | 21688 | 45.45 | 33.90 | 42164 |
| Mar-20 | 37.25 | 29.60 | 9693 | 40.00 | 23.35 | 27817 |

Performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc;

Chart A: AuSom Enterprise Limited Share Performance versus BSE Sensex

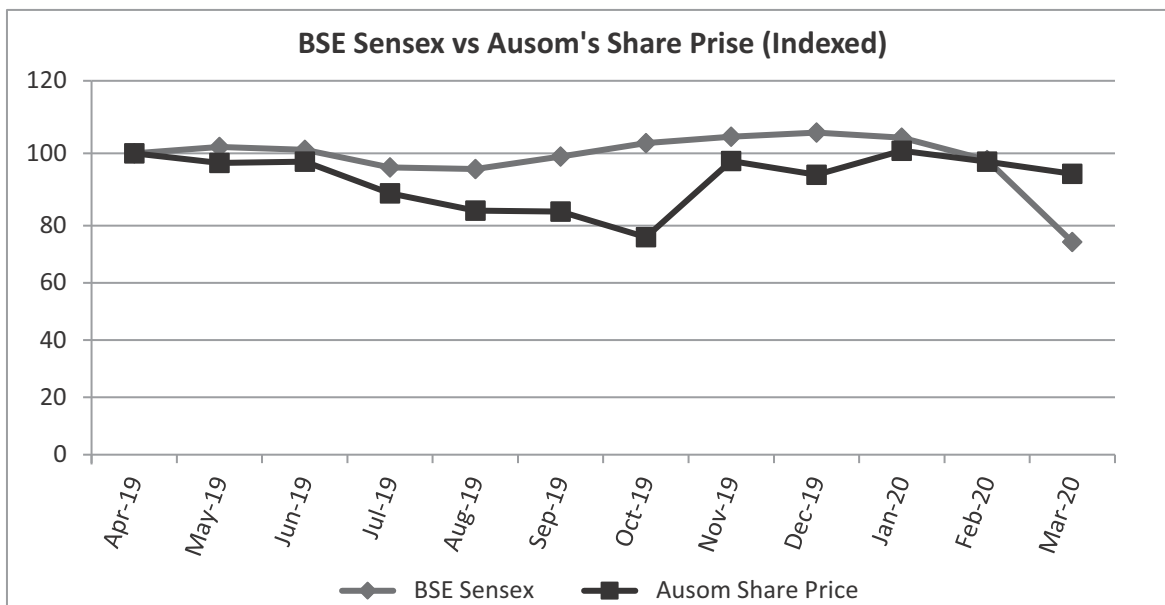
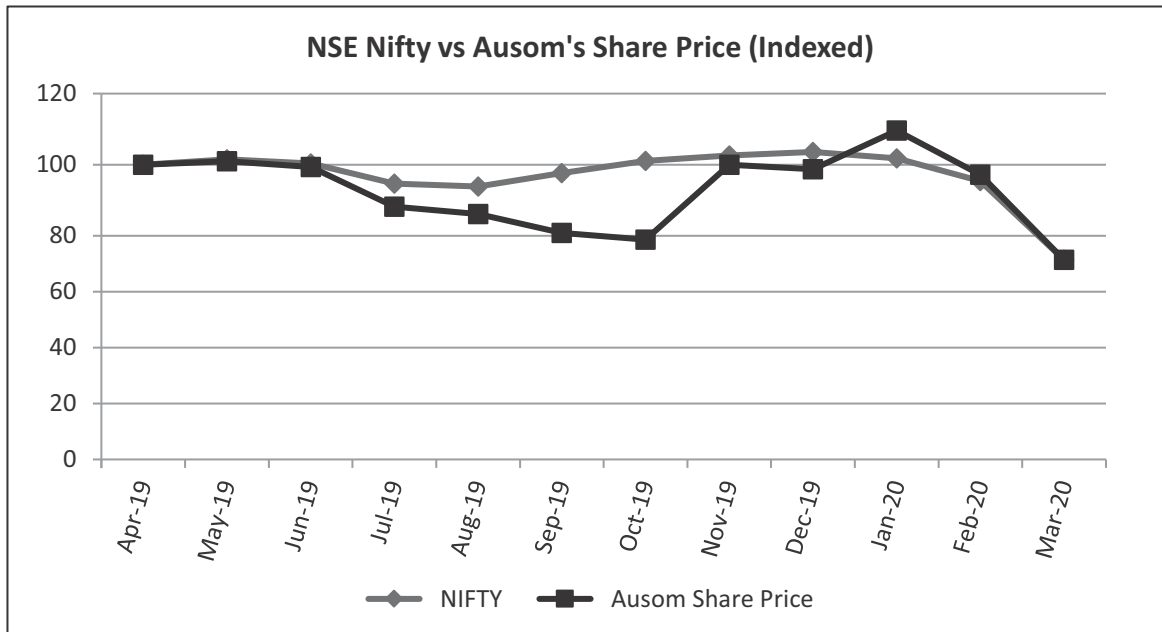


Chart B: AuSom Enterprise Limited Share Performance versus NSE NIFTY



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. LINK INTIME 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 31-03-2020)

| No. of Equity Shares held | No. of Shareholders | % | No. of Shares | % |
|---------------------------|---------------------|-----------------|-----------------|-----------------|
| Up to 500 | 5476 | 84.6368 | 858187 | 6.2993 |
| 501 – 1000 | 630 | 9.7372 | 459717 | 3.3744 |
| 1001 – 2000 | 176 | 2.7202 | 256321 | 1.8815 |
| 2001 – 3000 | 69 | 1.0665 | 178142 | 1.3076 |
| 3001 – 4000 | 20 | 0.3091 | 71169 | 0.5224 |
| 4001 – 5000 | 18 | 0.2782 | 80973 | 0.5944 |
| 5001 –10000 | 39 | 0.6028 | 265701 | 1.9503 |
| 10001 & above | 42 | 0.6491 | 11453342 | 84.0702 |
| Grand Total | 6470 | 100.0000 | 13623552 | 100.0000 |

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 | NOS. OF SHARES (UP TO 31.03.2020) | % (PERCENTAGE) (UP TO 31.03.2020) |
|-----------------|--------------------------------------|--------------------------------------|
| NSDL | 1,17,25,904 | 86.07% |
| CDSL | 9,67,575 | 7.10% |
| Physical | 9,30,073 | 6.83% |
| TOTAL | 1,36,23,552 | 100.00% |

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. Yogesh Ghatge,
 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

List of all credit ratings obtained by the Company along with any revisions thereto during the Financial Year 2019-20, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad : Not Applicable

13. 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 2019-2020, 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

The Company has not raised funds through preferential allotment or qualified institutional placement as specified under Regulation 32(7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during Financial Year 2019-2020.

Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificate from Shri Niraj Trivedi, Company Secretary in Practice, certifying that none of Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority has been obtained and is annexed as Annexure-“H” to Director's Report.

The details of total fees paid for all the services to the statutory auditors for the Financial Year 2019-2020 is referred in Note No. 30.1 forming part of the financial statements.

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, to the extent applicable.

Extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted.

The discretionary requirements will be adopted by the Company in due course of time.

Disclosure with respect to demat suspense account/ unclaimed suspense account: Not Applicable

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a. Number of complaints filed during the financial year: Nil
- b. Number of complaints disposed of during the financial year : Nil
- c. Number of complaints pending as on end of the financial year. : Nil

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 2019-20.

For AuSom Enterprise Limited

Place: Ahmedabad
Date: 1st September, 2020

Kishor P. Mandalia
Managing Director
DIN: 00126209

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

CEO and CFO Certification

We, Kishor P. 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, 2020 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 P. Mandalia
Managing Director/CEO
DIN: 00126209

Rupesh Shah
Chief Financial Officer

Place: Ahmedabad
Date: 1st September, 2020

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

Since last Eleven 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 Eleven 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. 1072.71 Cr. from trading activity with a profit of Rs. 17.51 Cr. (PAT).

(H) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED.

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. During the financial year 2019-2020 there are total 2 Employees working.

DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS THEREFOR

DEBTORS TURNOVER

2019-20 : 3.66

2018-19 : 2.63

Increase of 39.16%

Explanation: due to increase in Credit Sales

INTEREST COVERAGE RATIO

2019-20 : 1.89

2018-19 : 3.56

Decrease of 46.91%

Explanation: due to reduction in borrowing

CURRENT RATIO

2019-20 : 1.15

2018-19 : 1.04

Increase of 10.58%

Explanation: due to increase in realizable value of current Assets

DEBT EQUITY RATIO

2019-20 : 2.61

2018-19 : 4.32

Decrease of 39.81%

Explanation: due to reduction in borrowing

RETURN ON NET WORTH

2019-20 : 0.18

2018-19 : 0.13

Increase of 38.46%

Explanation: due to increase in profit

(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: 1st September, 2020**

**Kishor P. Mandalia
Managing Director
DIN: 00126209**

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. 12,95,23,876/-
- 4) Prescribed CSR Expenditure (Two percent of the amount as in item 3 above): Rs. 25,90,478/-
- 5) Details of CSR spend for the financial year :
- a) Total amount spent for the financial year : 2,50,000/-
- b) Amount unspent if any : Rs. 23,40,478/-
- 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 | Animal Welfare | Animal Welfare | Banaskantha (Gujarat) | N.A. | 2,50,000 | 2,50,000 | Through implementing agency– Shree Jalaram Gau Seva Trust |

- 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 provisions of Section 135 of the Companies Act, 2013 was Rs. 25.90 Lacs whereas the Company for the year under consideration spent Rs. 2.50 Lacs towards CSR activities. The Company could not spend the total amount required to be spent 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.

Place: Ahmedabad
Date: 1st September, 2020

Zaverilal V. Mandalia
Chairman & Director
DIN: 00133262

Ghanshyambhai Akbari
Chairman CSR Committee
DIN: 00196160

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 31/03/2020)
[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 DIST.: - AHMEDABAD 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. 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 & Jewellery | Group. 464 (Sub-class: 46498) –Wholesale of precious metals and jewellery. | 97.43% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name and Address of the Company | CIN / GLN/Reg. No. | 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 (01/04/2019) | | | | No. of Shares held at the end of the year (31/03/2020) | | | | % Change during the year |
|--|--|----------|-----------------|-------------------|--|----------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 10040000 | 0 | 10040000 | 73.70 | 10040000 | 0 | 10040000 | 73.70 | 0.00 |
| 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 |
| Sub-total (A) (1):- | 10040000 | 0 | 10040000 | 73.70 | 10040000 | 0 | 10040000 | 73.70 | 0.00 |
| (2) Foreign | | | | | | | | | |
| 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 |
| Sub-total (A) (2):- | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| Total Shareholding of Promoter (A) = (A)(1)+(A) (2) | 10040000 | 0 | 10040000 | 73.70 | 10040000 | 0 | 10040000 | 73.70 | 0.00 |

| | | | | | | | | | |
|--|--------------|----------|--------------|-------------|--------------|----------|--------------|-------------|-------------|
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| 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 | 45181 | 0 | 45181 | 0.33 | 59943 | 0 | 59943 | 0.44 | 0.11 |
| 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 |
| Sub-total (B)(1):- | 45381 | 0 | 45381 | 0.33 | 60143 | 0 | 60143 | 0.44 | 0.11 |
| 2. Non Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 54106 | 20800 | 74906 | 0.55 | 161107 | 20800 | 181907 | 1.34 | 0.79 |
| 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 | 1173195 | 907023 | 2080218 | 15.27 | 1138554 | 888623 | 2027177 | 14.88 | (0.39) |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 1210013 | 11050 | 1221063 | 8.96 | 1151393 | 11050 | 1162443 | 8.53 | (0.43) |
| c) Others (specify) | | | | | | | | | |

| | | | | | | | | | |
|--|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|---------------|
| i) Hindu Undivided Family | 103420 | 0 | 103420 | 0.76 | 120193 | 0 | 120193 | 0.88 | 0.12 |
| ii) Clearing Member | 34133 | 0 | 34133 | 0.25 | 7019 | 0 | 7019 | 0.05 | (0.20) |
| iii) Non Resident Indians (REPAT) | 8221 | 0 | 8221 | 0.06 | 8101 | 0 | 8101 | 0.06 | 0.00 |
| iv) Non Resident Indians (NON REPAT) | 6610 | 9600 | 16210 | 0.12 | 6969 | 9600 | 16569 | 0.12 | 0.00 |
| Sub-total (B)(2):- | 2589698 | 948473 | 3538171 | 25.97 | 2593336 | 930073 | 3523409 | 25.86 | (0.11) |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 2635079 | 948473 | 3583552 | 26.30 | 2653479 | 930073 | 3583552 | 26.30 | (0.00) |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Grand Total (A+B+C) | 12675079 | 948473 | 13623552 | 100.00 | 12693479 | 930073 | 13623552 | 100.00 | 0.00 |

ii) Shareholding of Promoters

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year (01/04/2019) | | | Shareholding at the end of the year (31/03/2020) | | | % Change in shareholding during the year |
|---------|---------------------------------|--|------------------------------|--------------------------------|--|------------------------------|--------------------------------|--|
| | | No. of Shares | % of total Shares of Company | % of Share Pledged/en cumbered | No. of Shares | % of total Shares of company | % of Share Pledged/en cumbered | |
| 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 | 38883 | 0.29 | 0.00 | 0.00 |
| 10 | PRAFULLABEN ZAVERILAL MANDALIA | 32307 | 0.24 | 0.00 | 32307 | 0.24 | 0.00 | 0.00 |
| | TOTAL | 10040000 | 73.70 | 0.00 | 10040000 | 73.70 | 0.00 | 0.00 |

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 (01-04-19) / end of the year (31-03-20) | % of total shares of the company | | | | No. of shares | % of total shares of the company |
| 1. | SAVITRI DAYARAM PAWANI | 5020000 | 36.85 | 1-Apr-2019 | 0 | Nil Movement during the year | 5020000 | 36.85 |
| | | 5020000 | 36.85 | 31-Mar-2020 | | | | |
| 2. | KISHOR PRANJIVANDAS MANDALIA | 1189102 | 8.73 | 1-Apr-2019 | 0 | Nil Movement during the year | 1189102 | 8.73 |
| | | 1189102 | 8.73 | 31-Mar-2020 | | | | |
| 3. | DAXABEN BHARATBHAI MANDALIA | 890572 | 6.54 | 1-Apr-2019 | 0 | Nil Movement during the year | 890572 | 6.54 |
| | | 890572 | 6.54 | 31-Mar-2020 | | | | |
| 4. | VIPULKUMAR ZAVERILAL MANDALIA | 836420 | 6.14 | 1-Apr-2019 | 0 | Nil Movement during the year | 836420 | 6.14 |
| | | 836420 | 6.14 | 31-Mar-2020 | | | | |
| 5. | ZAVERILAL VIRJIBHAI MANDALIA | 804547 | 5.91 | 1-Apr-2019 | 0 | Nil Movement during the year | 804547 | 5.91 |
| | | 804547 | 5.91 | 31-Mar-2020 | | | | |
| 6. | CHANDRESH ZAVERILAL MANDALIA | 797647 | 5.85 | 1-Apr-2019 | 0 | Nil Movement during the year | 797647 | 5.85 |
| | | 797647 | 5.85 | 31-Mar-2020 | | | | |
| 7. | BHARAT PRANJIVANDAS MANDALIA | 364693 | 2.68 | 1-Apr-2019 | 0 | Nil Movement during the year | 364693 | 2.68 |
| | | 364693 | 2.68 | 31-Mar-2020 | | | | |
| 8. | ARUNABEN KISHORBHAI MANDALIA | 65829 | 0.48 | 1-Apr-2019 | 0 | Nil Movement during the year | 65829 | 0.48 |
| | | 65829 | 0.48 | 31-Mar-2020 | | | | |
| 9. | FENNYBEN CHANDRESHBHA I MANDALIA | 38883 | 0.29 | 1-Apr-2019 | 0 | Nil Movement during the year | 38883 | 0.29 |
| | | 38883 | 0.29 | 31-Mar-2020 | | | | |
| 10. | PRAFULLABEN ZAVERILAL MANDALIA | 32307 | 0.24 | 1-Apr-2019 | 0 | Nil Movement during the year | 32307 | 0.24 |
| | | 32307 | 0.24 | 31-Mar-2020 | | | | |

Note: There is no change in the total shareholding of promoters between 01-04-2019 to 31-03-2020.

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 (01-04-19) / end of the year (31-03-20) | % of total shares of the company | | | | No. of shares | % of total shares of the company |
| 1. | MINESH MADHUSUDAN SONI | 520947 | 3.8239 | 1-Apr-2019 | 0 | Nil Movement during the year | 520947 | 3.8239 |
| | | 520947 | 3.8239 | 31-Mar-2020 | | | | |
| 2. | PRAVIN DIPCHAND MAJITHIA | 159600 | 1.1715 | 1-Apr-2019 | 0 | Nil Movement during the year | 159600 | 1.1715 |
| | | 159600 | 1.1715 | 31-Mar-2020 | | | | |
| 3. | EMKAY GLOBAL FINANCIAL SERVICE LTD- CLIENT COLLATERAL ACCOUNT | 0 | 0.0000 | 1-Apr-2019 | | Purchase Sale Purchase | 98000 | 0.7193 |
| | | | | 31-May-2019 | 2000 | | | |
| | | | | 07-Jun-2019 | (100) | | | |
| | | 98000 | 0.7193 | 20 Mar 2020 31-Mar-2020 | 96100 | | | |
| 4. | VINAY KANKARIA | 71931 | 0.5280 | 1-Apr-2019 | | Sale Purchase | 71931 | 0.5280 |
| | | | | 09-Aug-2019 | (57830) | | | |
| | | 71931 | 0.5280 | 16-Aug-2019 31-Mar-2020 | 57830 | | | |
| 5. | ELARA INDIA OPPORTUNITIES FUND LIMITED | 45181 | 0.3361 | 1-Apr-2019 | | Purchase Purchase Purchase Purchase | 59943 | 0.4400 |
| | | | | 29-Jun-2019 | 8297 | | | |
| | | | | 19-Jul-2019 | 602 | | | |
| | | | | 26-Jul-2019 | 5836 | | | |
| | | 59943 | 0.4400 | 02-Aug-2019 31-Mar-2020 | 27 | | | |
| 6. | VAISHALI SHAH | 60500 | 0.4441 | 1-Apr-2019 | | Sale Sale | 54500 | 0.4000 |
| | | | | 27-Mar-2020 | (2000) | | | |
| | | 54500 | 0.4000 | 31-Mar-2020 31-Mar-2020 | (4000) | | | |
| 7. | RAM NIRANJAN SEKSARIA | 50000 | 0.3670 | 1-Apr-2019 | 0 | Nil Movement during the year | 50000 | 0.3970 |
| | | 50000 | 0.3670 | 31-Mar-2020 | | | | |
| 8. | PANKILKUMAR ARVINDKUMAR SHAH | 20397 | 0.1497 | 1-Apr-2019 | | Sale Purchase Purchase | 41285 | 0.3030 |
| | | | | 09-Aug-2019 | (16933) | | | |
| | | | | 16-Aug-2019 | 16933 | | | |
| | | 41285 | 0.3030 | 29-Nov-2019 31-Mar-2020 | 20888 | | | |
| 9. | CHANNAGERI SATYANARAYANA SHARATHKUMAR | 0 | 0.0000 | 1-Apr-2019 | | Purchase Purchase Purchase Purchase Purchase Purchase Purchase Purchase | 34030 | 0.2498 |
| | | | | 22-Nov-2019 | 32800 | | | |
| | | | | 10-Jan-2020 | 5 | | | |
| | | | | 17-Jan-2020 | 15 | | | |
| | | | | 24-Jan-2020 | 35 | | | |
| | | | | 31-Jan-2020 | 155 | | | |
| | | | | 07-Feb-2020 | 995 | | | |
| | | | | 14-Feb-2020 | 21 | | | |
| | | 34030 | 0.2498 | 21-Feb-2020 31-Mar-2020 | 4 | | | |

| | | | | | | | | |
|-----|-------------------------------------|-------|--------|-------------|---------|--------------------------------------|-------|--------|
| 10. | ANIL GADA (HUF) | 24250 | 0.1780 | 1-Apr-2019 | 0 | Nil Move- ment during the year | 24250 | 0.1780 |
| | | 24250 | 0.1780 | 31-Mar-2020 | | | | |
| 11. | KAVITA PRASHANT GUPTA | 22800 | 0.1674 | 1-Apr-2019 | | Nil Move- ment during the year | 22800 | 0.1674 |
| | | 22800 | 0.1674 | 31-Mar-2020 | | | | |
| 12. | MIRANDA CONSULTANTS PVT. LTD. | 22000 | 0.1615 | 1-Apr-2019 | 0 | Nil Move- ment during the year | 22000 | 0.1615 |
| | | 22000 | 0.1615 | 31-Mar-2020 | | | | |
| 13. | VINOD H. DIDWANIA | 98000 | 0.7193 | 1-Apr-2019 | | Sale | 0 | 0.0000 |
| | | | | 20-Mar-2020 | (98000) | | | |
| | | 0 | 0.0000 | 31-Mar-2020 | | | | |

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 share-holding | Reason | Cumulative Shareholding during the year | |
|---|--|---|----------------------------------|-------------|--------------------------------------|--|---|----------------------------------|
| | | No. of shares | % of total shares of the company | | | | No. of shares | % of total shares of the company |
| A DIRECTORS | | | | | | | | |
| 1 | Kishor Pranjivandas Mandalia Managing Director And Chief Executive Officer | 1189102 | 8.73 | 01-Apr-2019 | 0 | Movement during the year/ No Change | 1189102 | 8.73 |
| | | 1189102 | 8.73 | 31-Mar-2020 | | | | |
| 2 | Zaverilal Virjibhai Mandalia Chairman/ Non Executive Director | 804547 | 5.91 | 01-Apr-2019 | 0 | Movement during the year/ No Change | 804547 | 5.91 |
| | | 804547 | 5.91 | 31-Mar-2020 | | | | |
| 3 | Vipul Zaverilal Mandalia Non-Executive Director | 836420 | 6.14 | 01-Apr-2019 | 0 | Movement during the year/ No Change | 836420 | 6.14 |
| | | 836420 | 6.14 | 31-Mar-2020 | | | | |
| 4 | Ghanshyambhai Bhikhabhai Akbari Non-Executive Director & Independent Director | 0 | 0.00 | 01-Apr-2019 | 0 | Nil Holding/ movement during the year | 0 | 0.00 |
| | | 0 | 0.00 | 31-Mar-2020 | | | | |
| 5 | Hitesh Bhogilal Adeshara Non-Executive Director & Independent Director | 0 | 0.00 | 01-Apr-2019 | 0 | Nil Holding/ movement during the year | 0 | 0.00 |
| | | 0 | 0.00 | 31-Mar-2020 | | | | |
| 6 | Nirupama Hasmushrai Vaghjiani Non-Executive Director & Independent Director | 0 | 0.00 | 01-Apr-2019 | 0 | Nil Holding/ movement during the year | 0 | 0.00 |
| | | 0 | 0.00 | 31-Mar-2020 | | | | |
| B KEY MENAGERIAL PERSONNEL (KMP'S) | | | | | | | | |
| 1 | Yogesh Ghatge Company Secretary and Compliance Officer | 0 | 0.00 | 01-Apr-2019 | 0 | Nil Holding/ movement during the year | 0 | 0.00 |
| | | 0 | 0.00 | 31-Mar-2020 | | | | |
| 2 | Rupesh Shah Chief Financial Officer | 0 | 0.00 | 01-Apr-2019 | 0 | Nil Holding/ movement during the year | 0 | 0.00 |
| | | 0 | 0.00 | 31-Mar-2020 | | | | |

V. INDEBTEDNESS

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|--|--------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i). Principal Amount | 3,21,40,92,261 | Nil | Nil | 3,21,40,92,261 |
| ii). Interest due but not paid | Nil | Nil | Nil | Nil |
| iii). Interest accrued but not due | Nil | Nil | Nil | Nil |
| Total (i +ii+iii) | 3,21,40,92,261 | Nil | Nil | 3,21,40,92,261 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | Nil | Nil | Nil | Nil |
| • Reduction | 69,66,68,407 | Nil | Nil | 69,66,68,407 |
| Net Change | 69,66,68,407 | Nil | Nil | 69,66,68,407 |
| Indebtedness at the end of the financial year | | | | |
| i). Principal Amount | 2,51,74,23,854 | Nil | Nil | 2,51,74,23,854 |
| ii). Interest due but not paid | Nil | Nil | Nil | Nil |
| iii). Interest accrued but not due | Nil | Nil | Nil | Nil |
| Total (i+ii+iii) | 2,51,74,23,854 | Nil | Nil | 2,51,74,23,854 |

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, Sitting Fees – | 5000 | 5000 |
| | Total (A) | 5000 | 5000 |
| | 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. Vaghjani | |
| 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 |
| | Total (1) | --- | --- | 4000 | 4000 | 4000 | 12000 |
| 2. | Other Non-Executive Directors | | | | | | |
| | • Fee for attending board / committee meetings | 4000 | 5000 | --- | --- | --- | 9000 |
| | • Commission | 0 | 0 | --- | --- | --- | 0 |
| | • Others, please specify | 0 | 0 | --- | --- | --- | 0 |
| | Total (2) | 4000 | 5000 | --- | --- | --- | 9000 |
| | Total (B)=(1+2) | 4000 | 5000 | 4000 | 4000 | 4000 | 21000 |
| | Total Managerial Remuneration* | | | | | | |
| | Overall Ceiling as per the Act | (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013) | | | | | |

*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 (Yogesh Ghatge) | CFO (Rupesh Shah) | Total |
| 1. | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 0 | 5,89,596 | 6,32,598 | 12,22,194 |
| | (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, Gratuity | 0 | 0 | 0 | 0 |
| | Total | 0 | 5,89,596 | 6,32,598 | 12,22,194 |

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) |
|--|------------------------------|-------------------|---|-------------------------------|------------------------------------|
| A. <u>Company</u> | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. <u>Director</u> | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. <u>Other Officers in Default</u> | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | | | |
| Compounding | | | | | |

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

**Place: Ahmedabad
Date: 1st September, 2020**

**Kishor P. Mandalia
Managing Director
DIN: 00126209**

**Vipul Z. Mandalia
Director
DIN: 02327708**

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020
[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 **31st March, 2020**, 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 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force);
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force);
- (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 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force); - **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') (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force):-
 - (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, 2018; - **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, 2018; - **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) i.e. *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.*
- Under Regulation 7 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, *the Company was delayed by 15 days in filing certificate with National Stock exchange of India Limited (NSE) only.*

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 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, following major event have happened which is deemed to have major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.

1. The Company has redeemed 1.5% Non-cumulative Redeemable Participating Preference shares (NCRPPS) of Rs. 20 Crores during the period under review.

Date: 1st September, 2020

Place: Vadodara

Signature :

Name : **NIRAJ TRIVEDI**

C. P. No. : **3123**

UDIN : **F0038448000641679**

This report is to be read with our letter of same date which is annexed as **Annexure A** and forms an integral part of this report.

To,
The Members
M/s. 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. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, 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
UDIN: F0038448000641679

Date: 1st September, 2020
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.

Annexure – 'H'
CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

I have examined the relevant registers, records, forms, returns and disclosures received from AUSOM ENTERPRISE LIMITED having CIN- L67190GJ1984PLC006746 and having Registered Office at 11-B, New Ahmedabad Industrial Estate, Sarkhej Bavla Road, Village Moraiya, Ahmedabad - 380006 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V, Para-C, Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or any such other Statutory Authority.

| Sr. No. | Name of Directors | DIN | Date of Appointment in Company* |
|---------|---------------------------------|----------|---------------------------------|
| 1. | KISHOR PRANJIVANDAS MANDALIA | 00126209 | 07/08/2015 |
| 2. | ZAVERILAL VIRJIBHAI MANDALIA | 00133262 | 07/08/2009 |
| 3. | GHANSHYAMBHAI BHIKHABHAI AKBARI | 00196160 | 10/06/2010 |
| 4. | VIPUL ZAVERILAL MANDALIA | 02327708 | 07/08/2009 |
| 5. | HITESH B ADESHARA | 02726701 | 07/08/2009 |
| 6. | NIRUPAMA HASMUKHRAI VAGHJIANI | 06956012 | 23/08/2014 |

*The date of appointment is as per the MCA Portal.

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

Date: 1st September, 2020
Place: Vadodara

Signature :
Name : **NIRAJ TRIVEDI**
C. P. No. : **3123**
FCS : **3844**
UDIN : **F0038448000641833**

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 31st March, 2020: 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 31st March, 2020:

| Sr. No. | Name of Directors | Ratio |
|----------------|---|-------|
| Not Applicable | | |
| Sr. No. | Name of Chief Financial Officer & Company Secretary | Ratio |
| 1. | Mr. Rupesh Shah – CFO | 0.00% |
| 2. | Mr. Yogesh Ghatge – CS | 0.00% |

3. The Percentage increase in median remuneration of employees in the financial year: Nil
4. The number of employees employed including manager and workers as on 31st March, 2020: 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 were only two employees and they are Managerial personnel. The Average Salary increased of managerial employees is Nil. 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 – 'J'
FORM NO. AOC -1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part “B”: Associates and Joint Ventures Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| Sr. No. | Name of Joint Ventures | Swadeshi Distributors LLP | Amazo Waste Management Solution LLP | Bsafal.KZ Estate LLP | IGR Ausom LLP |
|---------|---|--|---|---|---|
| 1. | Latest audited Balance Sheet Date | 31st March, 2020 | 31st March, 2020 | ---- | 31st March, 2020 |
| 2. | Shares of Joint Ventures held by the company on the year end | | | | |
| | No. | --- | --- | --- | --- |
| | Amount of Investment in Joint Venture | 28,77,30,892/- | 98,99,893/- | 18,93,20,910/- | 1,72,372/- |
| | Extend of Holding % | 80.00% | 80.00% | 08.00% | 50.00% |
| 3. | Description of how there is significant influence | AuSom Enterprise Limited has significant influence by way of 80.00% capital contribution in total capital of LLP and having control over the operation of the LLP. | AuSom Enterprise Limited has significant influence by way of 80.00% capital contribution in total capital of LLP and having control over the operation of the LLP | AuSom Enterprise Limited has significant influence by way of 08.00% capital contribution in total capital of LLP and having control over the operation of the LLP | AuSom Enterprise Limited has significant influence by way of 50.00% capital contribution in total capital of LLP and having control over the operation of the LLP |
| 4. | Reason why the associate / joint venture is not consolidated | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| 5. | Networth attributable to Shareholding as per latest audited Balance Sheet | 37,70,26,412/- | 1,00,38,175/- | 2,51,12,88,087/-* | 1,34,745/- |

| | | | | | |
|----|---------------------------------|-----------------|---------------|-------------|------------|
| 6. | Profit / (Loss) for the year | | | | |
| | Considered in Consolidation | (3,24,09,886/-) | (2,81,624 /-) | (58,074 /-) | (37,628/-) |
| | Not Considered in Consolidation | 0.00 | 0.00 | 0.00 | 0.00 |

* Figures are derived from un-audited financial statement of LLP

For Sweta Patel & Associates
Chartered Accountants
(Firm Reg. No. 139165W)

Hemang V. Patel
Partner
Membership No. 154494
UDIN - 20154494AAAABG5800

Place: Ahmedabad
Date: 1st September, 2020

For and on behalf of the Board of Directors

ZAVERILAL MANDALIA
Director
DIN: 00133262

KISHOR MANDALIA
Managing Director
DIN: 00126209

RUPESH SHAH
Chief Financial Officer

YOGESH GHATGE
Company Secretary

Place: Ahmedabad
Date: 1st September, 2020

Annexure – 'K'

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/ transactions/ transaction | Duration of the contracts/ arrangements/ transactions/ 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 material 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 | Nil | | | | | |

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

Place: Ahmedabad
Date: 1st September, 2020

Kishor P. Mandalia
Managing Director
DIN: 00126209

Vipul Z. Mandalia
Director
DIN: 02327708

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, 2020, 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 purpose 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 31st March, 2020.
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.

For, SWETA PATEL & ASSOCIATES
Chartered accountants
(Registration No 139165W)

Place : AHMEDABAD
Date : 01-09-2020

(Hemang V Patel)
Partner
Membership No. 154494
UDIN- 20154494AAAABD5380

Standalone Financial Statements 2019-20

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INDEPENDENT AUDITOR'S REPORT**To the Members of Ausom Enterprise Limited,
Report on the Audit of the Standalone Indian Accounting Standards (Ind AS) Financial Statements****Opinion**

We have audited the standalone Ind AS financial statements of **Ausom Enterprise Limited** (“the Company”), which comprise the balance sheet as at 31st March 2020, and the statement of profit and loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and its profit, changes in equity and its cash flow for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

Without qualifying our opinion, we draw attention to note no. 44 of the standalone Ind AS financial statements which describes that recognition of share of loss arising from the joint venture is accounted for on the basis of its unaudited financial statements.

Our opinion is not modified in respect of this matter.

Key Audit Matters

In our opinion and based on audit of the financial statement of the Company, we have determined that there are no key audit matters to communicate in our report.

Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors is responsible for the other information. The other information comprises the information included in the annual report of the Company, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accountings records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Ind AS Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended 31st March, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 and the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian 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 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 in its standalone Ind AS financial statements (refer note no. 34 to the standalone Ind AS financial statements).
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, the Company has not provided remuneration to its directors during the year.

PLACE : AHMEDABAD
DATE : 01-09-2020

For, SWETA PATEL & ASSOCIATES
Chartered accountants,
(Registration No. 139165W)
(Hemang V Patel)
Partner
Membership No. 154494
UDIN - 20154494AAAABB9864

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. (a) The Company has granted unsecured loans to parties covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanation given to us, the terms and conditions of the grant of such loan are not prejudicial to the interest of the Company.
(b) We are informed that such loans granted do not have any stipulation for the repayment of principal and payment of interest.
(c) Since the loans granted do not have any stipulation for the repayment of principal and payment of interest, no amount outstanding as at 31st March, 2020 is considered as overdue for more than ninety days.
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 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 31st March, 2020 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 standalone 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 : 01-09-2020

For, SWETA PATEL & ASSOCIATES

Chartered accountants,

(Registration No. 139165W)

(Hemang V Patel)

Partner

Membership No. 154494

UDIN - 20154494AAAABB9864

Annexure 'B' to the Independent Auditors' Report

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date]
Report on the Internal Financial Controls Over Financial Reporting 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 31st March, 2020 in conjunction with our audit of the standalone Ind AS 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

Auditor's 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 issued by the Institute of Chartered Accountants of India 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 control 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 auditor's judgment including the assessment of the risks of material misstatement of the standalone Ind AS 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 31st March, 2020, 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 issued by the Institute of Chartered Accountants of India.

**PLACE : AHMEDABAD
DATE : 01-09-2020**

**For, SWETA PATEL & ASSOCIATES
Chartered accountants,
(Registration No. 139165W)**

**(Hemang V Patel)
Partner
Membership No. 154494
UDIN - 20154494AAAABB9864**

STANDALONE BALANCE SHEET AS AT 31 MARCH, 2020

| Particulars | Note No. | As at 31 March 2020 | As at 31 March 2019 |
|--|----------|-----------------------|-----------------------|
| | | Rupees | Rupees |
| ASSETS | | | |
| Non-current assets | | | |
| Property, Plant and Equipments | 3 | 13,52,855 | 14,78,353 |
| Financial assets | | | |
| Investments | 4 | 52,07,89,861 | 49,53,57,302 |
| Other non-current financial assets | 5 | 2,84,775 | 3,84,775 |
| Income tax assets (net) | 6 | 30,14,664 | 38,38,101 |
| | | 52,54,42,155 | 50,10,58,531 |
| Current assets | | | |
| Inventories | 7 | 9,50,20,522 | 19,06,13,131 |
| Financial assets | | | |
| Trade Receivables | 8 | 2,51,67,22,207 | 3,19,93,95,713 |
| Cash and cash equivalents | 9 | 84,85,224 | 33,73,860 |
| Bank balances other than Cash and cash equivalents above | 10 | 1,01,00,000 | 99,00,000 |
| Loans | 11 | 50,97,68,562 | 3,27,57,15,244 |
| Other current financial assets | 12 | 31,20,06,405 | 18,64,61,967 |
| Other current assets | 13 | 1,42,29,907 | 6,60,47,285 |
| Non-current assets held for sale | | 1,06,64,265 | 0 |
| | | 3,47,69,97,092 | 6,93,15,07,200 |
| TOTAL ASSETS | | 4,00,24,39,247 | 7,43,25,65,731 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Equity share capital | 14 | 13,62,46,270 | 13,62,46,270 |
| Other Equity | 15 | 82,85,62,424 | 65,34,55,865 |
| | | 96,48,08,694 | 78,97,02,135 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Non current Provisions | 16 | 2,78,946 | 2,09,453 |
| Non-current tax liabilities (net) | 17 | 33,30,244 | 49,95,366 |
| | | 36,09,190 | 52,04,819 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Current Borrowings | 18 | 2,51,74,23,854 | 3,41,40,92,261 |
| Trade payables | 19 | | |
| - Total outstanding dues of micro enterprises and small enterprise | | 0 | 0 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 49,82,10,691 | 3,19,64,76,372 |
| Other current financial liabilities | 20 | 2,14,799 | 83,09,374 |
| Other current liabilities | 21 | 7,12,904 | 10,17,067 |
| Current tax liabilities (net) | 22 | 1,74,59,115 | 1,77,63,703 |
| | | 3,03,40,21,363 | 6,63,76,58,777 |
| TOTAL EQUITY AND LIABILITIES | | 4,00,24,39,247 | 7,43,25,65,731 |

Significant Accounting Policies

2

The accompanying notes from 1 to 44 are integral part of financial statements.

As per our report of even date.

For, Sweta Patel & Associates

Chartered Accountants,

(Firm Reg. No. 139165W)

(Hemang V. Patel)

Partner

Membership No. 154494

UDIN: - 20154494AAAABB9864

Place : Ahmedabad

Date : 01-09-2020

For and on behalf of the Board of Directors

ZAVERILAL MANDALIA

Director

RUPESH SHAH

Chief Financial Officer

Place : Ahmedabad

Date : 01-09-2020

KISHOR MANDALIA

Managing Director

YOGESH GHATGE

Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2020

| Particulars | Note No. | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|---|----------|-----------------------------------|-----------------------------------|
| | | Rupees | Rupees |
| Income | | | |
| Revenue from operations | 23 | 10,72,71,08,200 | 4,41,45,55,878 |
| Other income | 24 | 30,14,11,868 | 10,48,40,698 |
| Total revenue | | 11,02,85,20,068 | 4,51,93,96,576 |
| Expenses | | | |
| Cost of Material consumed | 25 | 10,29,64,28,517 | 4,15,31,19,752 |
| Purchases of stock-in-trade | 26 | 11,19,78,470 | 14,50,57,080 |
| Changes in inventories of finished goods, stock-in-trade and work in progress | 27 | 9,55,92,609 | 3,43,69,247 |
| Employee benefits expense | 28 | 13,22,230 | 13,21,544 |
| Finance costs | 29 | 25,29,31,315 | 4,96,11,749 |
| Depreciation and amortisation expense | 3 | 1,43,998 | 52,026 |
| Other expenses | 30 | 4,49,93,500 | 89,59,808 |
| Total expenses | | 10,80,33,90,639 | 4,39,24,91,206 |
| Profit before tax | | 22,51,29,429 | 12,69,05,370 |
| Tax expense: | | | |
| Current Income Tax | 38 | 5,00,10,219 | 2,72,05,822 |
| Deferred tax | 37 | 0 | 0 |
| Profit for the year | | 17,51,19,210 | 9,96,99,548 |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement gain/(loss) on defined benefit plans | | (17,849) | (27,017) |
| Income tax relating to above item | | 5,198 | 5,822 |
| Other comprehensive income for the year | | (12,651) | (21,195) |
| Total Comprehensive income for the year | | 17,51,06,559 | 9,96,78,353 |
| Earnings per Equity Share | 31 | | |
| Basic | | 12.85 | 7.32 |
| Diluted | | 12.85 | 7.32 |

2

Significant Accounting Policies

The accompanying notes from 1 to 44 are integral part of financial statements.

As per our report of even date.

For Sweta Patel & Associates
Chartered Accountants,
(Firm Reg. No. 139165W)
(Hemang V Patel)
Partner
Membership No. 154494
UDIN: - 20154494AAAABB9864

Place : Ahmedabad
Date : 01-09-2020

For and on behalf of the Board of Directors

ZAVERILAL MANDALIA
Director

KISHOR MANDALIA
Managing Director

RUPESH SHAH
Chief Financial Officer

YOGESH GHATGE
Company Secretary

Place : Ahmedabad
Date : 01-09-2020

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31 MARCH, 2020

| | For the year ended 31-March-20 | | For the year ended 31-March-19 | |
|---|-----------------------------------|--------------------------------|-----------------------------------|--------------------------------|
| | Rupees | Rupees | Rupees | Rupees |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit before taxation and extraordinary items | | 22,51,29,429 | | 12,69,05,370 |
| Adjustment for | | | | |
| Depreciation | 1,43,998 | | 52,026 | |
| Interest income | (29,64,95,220) | | (10,36,43,363) | |
| Interest expense | 25,29,31,315 | | 4,96,11,749 | |
| Profit on sale of investments | (22,73,284) | | 0 | |
| Remeasurement gain/(loss) on defined benefit plans | (17,849) | | (27,017) | |
| | | <u>(4,57,11,040)</u> | | <u>(5,40,06,605)</u> |
| Operating Profit before Working Capital Changes | | 17,94,18,389 | | 7,28,98,765 |
| Decrease/(Increase) in Trade Receivable | 68,26,73,506 | | (3,19,08,29,733) | |
| Decrease/(Increase) in Inventories | 9,55,92,609 | | 3,43,69,247 | |
| Increase/(Decrease) in Non-current provision | 69,493 | | (94,181) | |
| Increase/(Decrease) in other current liability | (3,04,163) | | 9,06,091 | |
| Increase/(Decrease) in other current financial liability | (80,94,575) | | (8,51,01,357) | |
| Decrease/(Increase) in other current assets | 5,18,17,378 | | (5,80,64,457) | |
| Decrease/(Increase) in other current financial assets | (12,55,44,438) | | 7,83,61,482 | |
| Decrease/(Increase) in other non-current financial assets | 1,00,000 | | 2,48,636 | |
| Decrease/(Increase) in other bank balance | (2,00,000) | | 0 | |
| Increase/(Decrease) in Trade Payable | (2,69,82,65,681) | (2,00,21,55,871) | 3,10,35,06,796 | (11,66,97,476) |
| Cash Generated from Operations | | <u>(1,82,27,37,482)</u> | | <u>(4,37,98,711)</u> |
| Income tax (net) | | <u>(5,11,51,294)</u> | | <u>(2,13,39,439)</u> |
| Net cash from operating activities | | <u>(1,87,38,88,776)</u> | | <u>(6,51,38,150)</u> |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of Non current investment | (10,00,000) | | (1,00,00,000) | |
| Capital contribution in LLP | (2,53,26,420) | | (20,51,61,926) | |
| Purchase of Property, Plant & Equipment | (1,06,82,765) | | (14,62,885) | |
| Movement in Loan given | 2,76,59,46,682 | | (2,83,47,46,631) | |
| Proceeds form sale of investments | 31,67,145 | | 0 | |
| Interest Received | 29,64,95,220 | | 10,36,43,363 | |
| Net cash from investing activities | | <u>3,02,85,99,862</u> | | <u>(2,94,77,28,079)</u> |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Proceeds/(repayment) from/of current borrowings | (88,95,92,734) | | 3,06,15,16,588 | |
| Interest Paid | (25,29,31,315) | | (4,96,11,749) | |
| Net cash used in financing activities | | <u>(1,14,25,24,049)</u> | | <u>3,01,19,04,839</u> |
| Net increase in cash & cash equivalents | | 1,21,87,037 | | (9,61,390) |
| Cash & Cash equivalents at beginning of period | | (37,01,813) | | (27,40,423) |
| Cash & Cash equivalents at end of period | | 84,85,224 | | (37,01,813) |

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

| | As at 31-03-2020 | As at 31-03-2019 |
|----------------------------------|-------------------------|---------------------------|
| Cash On Hand | 6,01,862 | 7,39,525 |
| Bank Balance with Schedule Banks | 78,83,362 | 26,34,335 |
| Bank overdraft facility | 0 | (70,75,673) |
| Total | <u>84,85,224</u> | <u>(37,01,813)</u> |

As per our report of even date

For Sweta Patel & Associates
Chartered Accountants,
(Firm Reg. No. 139165W)

(Hemang V Patel)
Partner
Membership No. 154494
UDIN:- 20154494AAAABB9864

Place : Ahmedabad
Date : 01-09-2020

For and on behalf of the Board of Directors

ZAVERILAL MANDALIA
Director

KISHOR MANDALIA
Managing Director

RUPESH SHAH
Chief Financial Officer

YOGESH GHATGE
Company Secretary

Place : Ahmedabad
Date : 01-09-2020

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020
(A) Equity share capital

| Particulars | Note No. | As at 31-March-20 Rupees | As at 31-March-19 Rupees |
|---|----------|-----------------------------|-----------------------------|
| Opening balance | | 13,62,46,270 | 13,62,46,270 |
| Changes in equity share capital during the year | | 0 | 0 |
| Closing Balance | 14 | 13,62,46,270 | 13,62,46,270 |

(B) Other Equity

| Particulars | Note No. | Equity component of Non-Cumulative Redeemable Participating | | Reserves & surplus | | | Other comprehensive income Remeasurement gain/ (loss) on defined benefit plans | Total |
|--|----------|---|---------------------|--------------------|---------------------|-------------------|--|-------|
| | | Preference shares | Securities premium | Capital reserve | Retained earnings | | | |
| Balance as at 01 April 2018 | 15 | 6,38,58,300 | 36,41,18,400 | 86,000 | 12,57,91,493 | (76,681) | 55,37,77,512 | |
| Add- Profit for the year | | 0 | 0 | 0 | 9,96,99,548 | 0 | 9,96,99,548 | |
| Add- Remeasurement gain/ (loss) on defined benefit plans (net of tax) | | 0 | 0 | 0 | 0 | (21,195) | (21,195) | |
| Balance as at 31 March 2019 | 15 | 6,38,58,300 | 36,41,18,400 | 86,000 | 22,54,91,041 | (97,876) | 65,34,55,865 | |
| Add- Profit for the year | | 0 | 0 | 0 | 17,51,19,210 | 0 | 17,51,19,210 | |
| Add- Remeasurement gain/ (loss) on defined benefit plans (net of tax) | | 0 | 0 | 0 | 0 | (12,651) | (12,651) | |
| Add- Transfer to retained earnings on account of redemption preference share capital | | (6,38,58,300) | 0 | 0 | 6,38,58,300 | 0 | 0 | |
| Balance as at 31 March 2020 | 15 | 0 | 36,41,18,400 | 86,000 | 46,44,68,551 | (1,10,527) | 82,85,62,424 | |

The accompanying notes from 1 to 44 are integral part of financial statements.
As per our report of even date.

For, Sweta Patel & Associates
Chartered Accountants,
(Firm Reg. No. 139165W)

(Hemang V Patel)
Partner
Membership No. 154494
UDIN:- 20154494AAAAAB9864

Place : Ahmedabad
Date : 01-09-2020

For and on behalf of the Board of Directors

ZAVERILAL MANDALIA
Director

KISHOR MANDALIA
Managing Director

RUPESH SHAH
Chief Financial Officer

YOGESH GHATGE
Company Secretary

Place : Ahmedabad
Date : 01-09-2020

1. Corporate Information

Ausom Enterprise Limited ("the Company") is a public limited Company incorporated in India with registered office at 11-B, New Ahmedabad Industrial Estate, Sarkhej Bavla Road, Moraiya, Ahmedabad - 382 213, Gujarat and principal place of business at 606, 'Swagat', Near Lal Bunglow, C. G. Road, Ahmedabad – 380 006, Gujarat. The equity shares of the Company are listed on two recognised stock exchanges in India. The Company is principally engaged in the business of trading in Commodities, Bullions, Gold Jewellery, Diamonds, Derivatives, Shares and Securities and manufacturing Gold Jewellery.

2. Significant accounting policies

2.1 Basis of Preparation

Statement of Compliance with Indian Accounting Standards (Ind AS) :

The financial statements have been prepared in accordance with Ind AS notified under the Companies ('Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act and other accounting principles generally accepted in India.

2.2 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The difference between the actual results and estimates are recognized in the period in which the results are known or materialised. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

2.3 Critical accounting estimates

A. Income taxes

The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes including amounts to be recovered or paid for uncertain tax positions. Management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

B. Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

2.4 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection.

- A. Revenue from sale of goods 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 at fair value.

- (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 at fair value.
- E. Units of Mutual Funds
Units of Mutual Fund transactions are accounted at fair value 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 at fair value.
- G. Other Income
Revenue in respect of other income is recognized when no significant uncertainty as to its determination or realization exist.

2.5 Property, Plant & Equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price (Net of GST input credit wherever applicable) and any attributable cost of bringing the assets to its working condition for its intended use. Such cost also includes the borrowing costs if the recognition criteria are met.

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.

The residual values, useful lives and methods of depreciation of Property, plant and equipment are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

Capital work-in-progress:

Assets those are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses.

2.6 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 fair value through Profit and Loss Account.
- (iii) Raw materials and work in progress are valued at cost or net realizable value whichever is lower. Cost is arrived at by using FIFO method.
- (iv) Finished goods are valued at cost or net realizable value whichever is lower. Cost comprises of purchase price of Raw materials, conversion cost and other costs incurred in bringing them to their present location and condition. FIFO method is used to arrive at cost.

2.7 Cash Flow

The cash flow Statement reported using indirect method 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. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

2.8 Retirement and other 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.

Defined contribution plans: Provident fund

Eligible employees of the Company receive benefits from a Provident fund, which is defined contribution plan. Both the eligible employees and the Company make monthly contributions to the provident fund equal to a specified percentage of the covered employee's salary. Company's contributions are charged as an expense in the Statement of Profit and Loss as they fall due based on the amount of contribution required to be made and when services are rendered by the employee.

Defined benefit plans: Gratuity

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on respective employee's salary and tenure of employment with the Company.

Liabilities with regard to Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using projected unit credit method.

The Company recognises the obligation of a defined benefit plan in its Balance Sheet as a liability by corresponding recognised as an expense in the Statement of Profit and Loss.

Gains and losses through re-measurements of the defined benefit liability are recognised in other comprehensive income.

2.9 Taxes

Income tax expense comprises current income tax and deferred income tax. Income tax expense is recognised in the Statement of Profit and Loss except to the extent it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income or other equity as the case may be.

Current income tax

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profits.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off tax assets against tax liabilities.

2.10 Financial instruments

(a) Non-derivative financial instruments:

Initial recognition and measurement

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

Subsequent measurement

Financial assets carried at amortised cost

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

Financial assets at fair value through other comprehensive income (FVOCI)

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

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

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

(b) Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit and loss immediately.

Derecognition of financial instruments

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of profit and loss if such gain or loss would have otherwise been recognised in statement of profit and loss on disposal of that financial asset.

Financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.11 Impairments

Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in the statement of profit and loss.

Impairment of non-financial assets:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of impairment loss is recognised immediately in the statement of profit and loss.

2.12 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

2.13 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a

present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

2.14 Foreign Currency Transactions and Translations

Functional currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees.

Transactions and balances

Foreign currency transactions are recorded in the functional currency by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. All foreign currency monetary assets and monetary liabilities as at the Balance Sheet date are translated into the functional currency at the applicable exchange rates prevailing on that date. All exchange differences arising on translation, are recognised in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Gain or losses upon settlement of foreign currency transactions are recognised in the Statement of Profit and Loss for the period in which the transaction is settled.

2.15 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.16 Borrowing Costs

Borrowing costs are interest and other cost incurred in connection with borrowing of fund. Borrowing cost attributable to acquisition or construction of an asset which necessary takes a substantial period of time to get ready for their intended use are capitalised as part of cost of asset. All other borrowing costs are recognised to the Statement of Profit and Loss as an expense in the period in which they are incurred.

3. Property, Plant and Equipments

| DESCRIPTION | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|------------------------|---------------------|------------------|---------------------------|---------------------|-----------------|---------------------------|---------------------|---------------------|---------------------|---------------------|
| | As at 01/04/2019 | Additions | Deletions/ Adjustments | As at 31/03/2020 | For the Year | Deletions/ Adjustments | As at 31/03/2020 | As at 31/03/2020 | As at 31/03/2019 | As at 31/03/2019 |
| | | | | | | | | | | |
| Plant & Equipment | 11,72,750 | 18,500 | 0 | 11,91,250 | 75,446 | 0 | 91,833 | 10,99,417 | 11,56,363 | |
| Furniture and Fixtures | 2,28,898 | 0 | 0 | 2,28,898 | 21,520 | 0 | 1,32,550 | 96,348 | 1,17,868 | |
| Office Equipment | 2,50,301 | 0 | 0 | 2,50,301 | 35,790 | 0 | 1,05,051 | 1,45,250 | 1,81,040 | |
| Computer | 1,22,200 | 0 | 0 | 1,22,200 | 11,242 | 0 | 1,10,360 | 11,840 | 23,082 | |
| Total | 17,74,149 | 18,500 | 0 | 17,92,649 | 1,43,998 | 0 | 4,39,794 | 13,52,855 | 14,78,353 | |
| Previous year | 3,11,264 | 14,62,885 | 0 | 17,74,149 | 52,026 | 0 | 2,95,796 | 14,78,353 | | |

4. Investments

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|--|------------------------|------------------------|
| | Rupees | Rupees |
| Trade investments in Joint Venture (unquoted & valued at cost) (Long-term) | | |
| Investment in Limited Liability Partnership -Capital contribution in | | |
| - Swadeshi Distributors LLP | 28,77,30,891 | 28,69,12,369 |
| - Amazo Waste Management Solution LLP | 98,99,893 | 1,00,84,497 |
| - Bsafal.KZ Estate LLP | 18,93,20,910 | 16,48,00,780 |
| - IGR Ausom LLP | 1,72,372 | 0 |
| Non-Trade Investments (unquoted & valued at cost) (Long-term) | | |
| Investment in Equity instruments | | |
| - 303039 (31/03/2019: 303039) Equity Shares of Rs. 10 each fully paid up in Grover Zampa Vineyards Ltd | 2,24,28,892 | 2,24,28,892 |
| Investment in Preference shares | | |
| - 97619 (31/03/2019: 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 (31/03/2019: 12727) Debentures of Rs. 100 each fully paid up in Grover Zampa Vineyards Ltd | 12,72,745 | 12,72,745 |
| Investment in Mutual fund | | |
| - 31.06 units (31/03/2019 : 40) J M Financial India Fund II | 31,06,139 | 40,00,000 |
| - J M Financial India Fund I Distressed Opportunity Fund | 10,00,000 | 0 |
| Total | 52,07,89,861 | 49,53,57,302 |

| | | |
|--|---------------------|---------------------|
| Aggregate amount of unquoted investment | 52,07,89,861 | 49,53,57,302 |
| Aggregate amount of impairment in value of investment | 0 | 0 |

5. Other non-current financial assets

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|----------------------------|------------------------|------------------------|
| | Rupees | Rupees |
| Fixed deposits | 0 | 2,00,000 |
| Security deposits | | |
| Unsecured, considered good | 2,84,775 | 1,84,775 |
| Total | 2,84,775 | 3,84,775 |

6. Income tax assets (net)

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|---------------------------------------|------------------------|------------------------|
| | Rupees | Rupees |
| Advance income tax (net of provision) | 30,14,664 | 38,38,101 |
| Total | 30,14,664 | 38,38,101 |

7. Inventories

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|-----------------------|------------------------|------------------------|
| | Rupees | Rupees |
| Stock-in-trade | | |
| - Shares & securities | 9,31,22,899 | 19,05,21,000 |
| - Work in progress | 3,123 | 92,131 |
| - Finished goods | 18,94,500 | 0 |
| Total | 9,50,20,522 | 19,06,13,131 |

8. Trade Receivables

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|---|------------------------|------------------------|
| | Rupees | Rupees |
| Unsecured, considered good (refer note 40 for related party disclosure) | 2,51,67,22,207 | 3,19,93,95,713 |
| Total | 2,51,67,22,207 | 3,19,93,95,713 |

9. Cash and cash equivalents

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|--|------------------------|------------------------|
| | Rupees | Rupees |
| Cash and cash equivalents | | |
| Balance with Banks - In current accounts | 78,83,362 | 26,34,335 |
| Cash on hand | 6,01,862 | 7,39,525 |
| Total | 84,85,224 | 33,73,860 |

10. Bank balances other than Cash and cash equivalents above

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|-----------------------------------|------------------------|------------------------|
| | Rupees | Rupees |
| Margin money deposits (Note 10.1) | 1,01,00,000 | 99,00,000 |
| Total | 1,01,00,000 | 99,00,000 |

10.1

Margin money deposits are given against overdraft facilities availed from banks.

11. Loans

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|--|------------------------|------------------------|
| | Rupees | Rupees |
| Loans and advances (at amortised cost) | | |
| Unsecured, considered good | | |
| Related parties (Note No.:- 40) | 50,97,68,562 | 3,25,72,15,244 |
| Others | 0 | 1,85,00,000 |
| Total | 50,97,68,562 | 3,27,57,15,244 |

12. Other current financial assets

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|-----------------------------|------------------------|------------------------|
| | Rupees | Rupees |
| Interest accrued on | | |
| Investments | 4,86,07,440 | 3,57,80,444 |
| Fixed deposits | 14,87,774 | 14,98,699 |
| Loans | 23,05,60,459 | 6,22,39,321 |
| Margin money with exchanges | 2,75,74,223 | 8,61,33,106 |
| Others | 37,76,509 | 8,10,397 |
| Total | 31,20,06,405 | 18,64,61,967 |

13. Other current assets

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|-------------------------------------|------------------------|------------------------|
| | Rupees | Rupees |
| Balances with statutory authorities | 70,20,208 | 89,32,365 |
| Prepaid Expenses | 64,75,605 | 5,70,75,120 |
| Others | 7,34,094 | 39,800 |
| Total | 1,42,29,907 | 6,60,47,285 |

14. Equity share capital

| Particulars | As at 31 MARCH 2020 | | As at 31 MARCH 2019 | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 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 |
| Forfeited equity shares(Amount originally paid up) | | 10,750 | | 10,750 |
| Total | | 13,62,46,270 | | 13,62,46,270 |

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

| Particulars | Opening Balance | Issue | Buy back | Closing Balance |
|---------------------------|-----------------|-------|----------|-----------------|
| Equity shares | | | | |
| Year ended 31 March, 2020 | | | | |
| - 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, 2019 | | | | |
| - Number of shares | 1,36,23,552 | - | - | 1,36,23,552 |
| - Amount (Rs) | 13,62,35,520 | - | - | 13,62,35,520 |

14.2 Details of shareholders holding more than 5% shares in the company

| Class of shares / Name of shareholder | As at 31 MARCH 2020 | | As at 31 MARCH 2019 | |
|--|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares of Rs. 10 each fully paid | | | | |
| 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 |
| Dakshaben 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 |

14.3 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 ensuring 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.

15. Other Equity

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|---|------------------------|------------------------|
| | Rupees | Rupees |
| Capital reserve (Profit on reissue of forfeited shares) | 86,000 | 86,000 |
| Securities Premium | 36,41,18,400 | 36,41,18,400 |
| Retained earnings * | 46,44,68,551 | 22,54,91,041 |
| Equity component of Non-Cumulative Redeemable Participating Preference shares | 0 | 6,38,58,300 |
| Other Comprehensive Income * | -1,10,527 | -97,876 |
| Total | 82,85,62,424 | 65,34,55,865 |

* For movement, refer statement of changes in equity.

16. Non current Provisions

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|---------------------------------|------------------------|------------------------|
| | Rupees | Rupees |
| Provision for employee benefits | | |
| Provision for gratuity | 2,78,946 | 2,09,453 |
| Total | 2,78,946 | 2,09,453 |

17. Non-current tax liabilities (net)

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|----------------------|------------------------|------------------------|
| | Rupees | Rupees |
| Income tax liability | 33,30,244 | 49,95,366 |
| Total | 33,30,244 | 49,95,366 |

18. Current Borrowings

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|--|------------------------|------------------------|
| | Rupees | Rupees |
| Loans repayable on demand | | |
| From Banks : Secured | | |
| Overdraft facilities (Note 18.1) | 0 | 70,75,673 |
| Exports packing credit indian rupee loan (Note 18.2) | 2,51,74,23,854 | 3,20,70,16,588 |
| Debt portion of preference share capital (Note 18.3) - Unsecured Non-Cumulative Redeemable Participating Preference shares of Rs. 10/- each | 0 | 20,00,00,000 |
| Total | 2,51,74,23,854 | 3,41,40,92,261 |

18.1

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.

18.2

Export packing credit indian rupee loan are secured against trade receivables and other current assets of the Company and are repayable within a period of 174 - 262 days from the date of avilment of loan and carries interest rate between 4.00% to 4.40% per annum.

18.3.A: Details of shareholders holding more than 5% of the Preference Shares Capital:

| Name of shareholder | As at 31-03-2020 | | As at 31-03-2019 | |
|-----------------------|-----------------------|--------------|-----------------------|--------------|
| | Number of shares held | % of holding | Number of shares held | % of holding |
| Zaverilal V. Mandalia | 0 | 0.00 | 1800000 | 9.00 |
| Bharat P. Mandalia | 0 | 0.00 | 2500000 | 12.50 |
| Kishor P. Mandalia | 0 | 0.00 | 2500000 | 12.50 |
| Chandresh Z. Mandalia | 0 | 0.00 | 1600000 | 8.00 |
| Vipul Z. Mandalia | 0 | 0.00 | 1600000 | 8.00 |
| Savitri D. Pawani | 0 | 0.00 | 10000000 | 50.00 |

18.3.B: Terms/rights attached to the preference shares:

The Company had issued only one class of preference shares, viz, 2,00,00,000/- 16.5% Cummulative Redeemable Participating Preference Shares (CRPPS) of Rs. 10 each amounting to Rs. 20,00,00,000. A term of dividend of CRPPS had been modified with effect from 01-04-2013 from 16.5% Cummulative to 1.5% Non-Cummulative Redeemable Participating preference shares (NCRPPS).

The Company has fully redeemed 2,00,00,000 shares of Rs.10 each at par amounting to Rs.20,00,00,000/- during the current financial year. The said redemption is done out of the accumulated profits, as per terms of issue.

19. Trade payables

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|--|------------------------|------------------------|
| | Rupees | Rupees |
| Trade payables (Note 32 : due to micro and small enterprises) | | |
| - dues of micro and small enterprises | 0 | 0 |
| - dues of creditors other than micro and small enterprises | 49,82,10,691 | 3,19,64,76,372 |
| Total | 49,82,10,691 | 3,19,64,76,372 |

20. Other current financial liabilities

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|--|------------------------|------------------------|
| | Rupees | Rupees |
| Interest accrued but not due on borrowings | 0 | 81,76,044 |
| Provision for employee benefits | 73,599 | 72,699 |
| Provision for expense | 1,40,000 | 43,710 |
| Others | 1,200 | 16,921 |
| Total | 2,14,799 | 83,09,374 |

21. Other current liabilities

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|----------------|------------------------|------------------------|
| | Rupees | Rupees |
| Statutory dues | 7,12,904 | 10,17,067 |
| Total | 7,12,904 | 10,17,067 |

22. Current tax liabilities (net)

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|--|------------------------|------------------------|
| | Rupees | Rupees |
| Provision for Income tax (net of advances) | 1,74,59,115 | 1,77,63,703 |
| Total | 1,74,59,115 | 1,77,63,703 |

23. Revenue from operations

| | Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|-----|---|--------------------------------------|--------------------------------------|
| | | Rupees | Rupees |
| (a) | Sales (Note 23.1) | 10,62,91,53,859 | 4,39,36,68,518 |
| (b) | Other operating revenues (Note 23.1) | 9,79,54,341 | 2,08,87,360 |
| | Total | 10,72,71,08,200 | 4,41,45,55,878 |

23.1

| | Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|-------|---|--------------------------------------|--------------------------------------|
| | | Rupees | Rupees |
| (i) | <u>Sale of Traded goods</u> | | |
| | Shares, Securities & Units of Mutual Funds | 17,76,77,527 | 18,11,72,220 |
| | Total - Sale of traded goods | 17,76,77,527 | 18,11,72,220 |
| (ii) | <u>Sale of Manufactured goods</u> | | |
| | Gold Jewellery | 10,45,14,76,332 | 4,20,32,56,458 |
| | Bullion | 0 | 92,39,840 |
| | Total - Sale of Manufactured goods | 10,45,14,76,332 | 4,21,24,96,298 |
| (iii) | <u>Other operating revenues</u> | | |
| | Profit / (Loss) on Share Speculation (Net) | (1,241) | 3,031 |
| | Freight & Insurance | 38,07,226 | 22,97,290 |
| | Foreign exchange rate difference (net) | 6,07,57,474 | 6,22,59,316 |
| | Profit/(loss) on Derivatives Transactions (Net) | | |
| | Shares & Securities | (2,06,84,796) | 73,53,088 |
| | Commodities | 4,89,027 | (43,71,773) |
| | Currency | 5,35,86,651 | (4,66,53,592) |
| | Total - Other operating revenues | 9,79,54,341 | 2,08,87,360 |

24. Other income

| | Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|--|-----------------------------------|--------------------------------------|--------------------------------------|
| | | Rupees | Rupees |
| | Interest Income | | |
| | From Bank | 7,30,406 | 7,08,725 |
| | From Others | 24,71,57,375 | 6,71,54,194 |
| | From Investment as partner in LLP | 4,86,07,439 | 3,57,80,444 |
| | Dividend Income | 8,82,806 | 11,94,077 |
| | Interest on VAT refund | 16,42,398 | 0 |
| | Misc Income | 18,200 | 3,258 |
| | Profit on sale of investments | 22,73,284 | 0 |
| | Interest on Income tax refund | 99,960 | 0 |
| | Total | 30,14,11,868 | 10,48,40,698 |

25. Cost of Material consumed

| | Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|--|----------------------|--------------------------------------|--------------------------------------|
| | | Rupees | Rupees |
| | Opening stock | 0 | 0 |
| | Add:- Purchases | 10,29,64,28,517 | 4,15,31,19,752 |
| | Less:- Closing stock | 0 | 0 |
| | Total | 10,29,64,28,517 | 4,15,31,19,752 |

26. Purchases of stock-in-trade

| | Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|--|--|--------------------------------------|--------------------------------------|
| | | Rupees | Rupees |
| | Shares, Securities & Units of Mutual Funds | 11,19,78,470 | 14,50,57,080 |
| | Total | 11,19,78,470 | 14,50,57,080 |

27. Changes in inventories of finished goods, stock-in-trade and work in progress

| | Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|--|--|--------------------------------------|--------------------------------------|
| | | Rupees | Rupees |
| | <u>Inventories at the end of the year:</u> | | |
| | Work in progress | 3,123 | 92,131 |
| | Stock-in-trade | 9,31,22,899 | 19,05,21,000 |
| | Finished goods | 18,94,500 | 0 |
| | | 9,50,20,522 | 19,06,13,131 |
| | <u>Inventories at the beginning of the year:</u> | | |
| | Work in progress | 92,131 | 0 |
| | Stock-in-trade | 19,05,21,000 | 22,49,82,378 |
| | Finished goods | 0 | 0 |
| | | 19,06,13,131 | 22,49,82,378 |
| | Net (increase) / decrease | 9,55,92,609 | 3,43,69,247 |

28. Employee benefits expense

| | Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|--|-------------------------------------|--------------------------------------|--------------------------------------|
| | | Rupees | Rupees |
| | Salaries and bonus | 11,04,632 | 10,94,299 |
| | Leave Enchashment | 1,18,462 | 1,22,242 |
| | Provided for gratuity | 51,643 | 60,533 |
| | Contribution towards providend fund | 47,493 | 44,470 |
| | Total | 13,22,230 | 13,21,544 |

29. Finance costs

| | Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|--|-------------------------------------|--------------------------------------|--------------------------------------|
| | | Rupees | Rupees |
| | Interest on packing credit facility | 23,01,46,974 | 3,39,39,123 |
| | Other interest expense | 1,55,40,486 | 1,56,72,626 |
| | Processing charges | 72,43,855 | 0 |
| | Total | 25,29,31,315 | 4,96,11,749 |

30. Other expenses

| Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|--|--------------------------------------|--------------------------------------|
| | Rupees | Rupees |
| Electricity Power | 1,17,940 | 94,070 |
| Insurance | 15,755 | 57,490 |
| Rent | 6,38,800 | 6,31,550 |
| Rates and taxes | 2,400 | 2,400 |
| Stationary, Printing, Postage and Telephone | 4,17,044 | 4,45,205 |
| Legal and professional fees | 8,79,943 | 11,56,963 |
| Payments to auditors (Note 30.1) | 1,50,000 | 1,50,000 |
| Transportation expenses | 40,78,305 | 18,48,073 |
| Shares, Securities and Derivatives transaction charges | 24,85,292 | 19,48,346 |
| Sundry balances W/off | 35,003 | 14,190 |
| Corporate social responsibility expenditure (Note 35) | 2,50,000 | 2,50,000 |
| Directors' sitting fees | 26,000 | 27,000 |
| Repair & maintenance | 0 | 1,05,353 |
| Labour charges | 10,50,000 | 4,50,540 |
| Factory expense | 1,74,299 | 0 |
| Share of Loss from Investment as a partner in LLP (net) | 3,28,23,048 | 1,94,421 |
| Licence fees & Service charges of SEZ unit | 0 | 3,40,306 |
| General Charges (Note 30.2) | 18,49,671 | 12,43,901 |
| Total | 4,49,93,500 | 89,59,808 |

30.1 Payment to Auditors

| Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|----------------|--------------------------------------|--------------------------------------|
| | Rupees | Rupees |
| As auditors :- | | |
| Audit fees | 1,50,000 | 1,50,000 |
| | 1,50,000 | 1,50,000 |

30.2

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

31. Earnings per share

| Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|--|--------------------------------------|--------------------------------------|
| | Rupees | Rupees |
| Earnings per share | | |
| Profit attributable to the equity shareholders | 17,51,19,210 | 9,96,99,548 |
| 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 | 12.85 | 7.32 |

32. The Company has not received any intimation from “Suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 accordingly the details of amounts outstanding to Micro, Small and Medium Enterprises under the said act based on the available information with the Company are as under:

| Particulars | As at 31-03-2020 | As at 31-03-2019 |
|--|------------------|------------------|
| | Rupees | Rupees |
| Principal amount due and remaining unpaid | 0 | 0 |
| Interest due on (1) above and the unpaid interest | 0 | 0 |
| Interest paid on all delayed payments under the MSMED Act. | 0 | 0 |
| Payment made beyond the appointed day during the year | 0 | 0 |
| Interest due and payable for the period of delay other than (3) above | 0 | 0 |
| Interest accrued and remaining unpaid | 0 | 0 |
| Amount of further interest remaining due and payable in succeeding years | 0 | 0 |

33. Details of future contracts outstanding (open interest)

| Name of script | Position | Number of contracts | |
|--------------------------|----------|---------------------|------------------|
| | | As at 31-03-2020 | As at 31-03-2019 |
| HDFC Bank 30/04/2020 | Long | 7500 | - |
| Indusind Bank 30/04/2020 | Long | 6400 | - |
| NIFTY 28/05/2020 | Short | 109725 | - |
| NIFTY 30/04/2020 | Long | 109725 | - |
| USDINR 27/05/2020 | Short | 11644 | - |
| USDINR 28/04/2020 | Short | 137 | - |
| BALKRISIND 25/04/2019 | Long | - | 4800 |
| BPCL 25/04/2019 | Long | - | 12600 |
| GSFC 25/04/2019 | Long | - | 37600 |
| Hindpetro 25/04/2019 | Long | - | 275100 |
| Hindpetro 30/05/2019 | Short | - | 487200 |
| IDFC 25/04/2019 | Long | - | 105600 |
| IDFCFIRSTB 25/04/2019 | Long | - | 27600 |
| Infibeam 25/04/2019 | Long | - | 100000 |
| MARUTI 25/04/2019 | Long | - | 300 |
| Nationalum 25/04/2019 | Long | - | 88000 |
| PNB 25/04/2019 | Short | - | 1575000 |
| PNB 30/05/2019 | Long | - | 798000 |
| TATAMOTORS 25/04/2019 | Long | - | 12000 |
| TATAMTRDVR 25/04/2019 | Long | - | 22800 |
| TATA STEEL 25/04/2019 | Long | - | 5305 |
| Unionbank 25/04/2019 | Short | - | 994000 |
| Unionbank 30/05/2019 | Long | - | 497000 |
| ZEEL 25/04/2019 | Long | - | 273000 |
| ZEEL 30/05/2019 | Short | - | 136500 |
| Silver 03/05/2019 | Short | - | 2 |
| USDINR 25/04/2019 | Long | - | 26371 |

34. 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 2016-17. 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.

The Company has given corporate guarantee to the Bank against credit facilities granted to its Joint venture i.e. Swadeshi Distributors LLP amounting to Rs.50,00,00,000/-.

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

| | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| a) Gross amount required to be spent by the company during the year | 25,90,478 | 17,81,929 |
| b) Details of amount spent are as under : | | |
| Construction/acquisition of an asset | 0 | 0 |
| On purpose other than above | 2,50,000 | 2,50,000 |
| Total | 2,50,000 | 2,50,000 |
| c) Total amount unspent at the end of the year | 23,40,478 | 15,31,929 |

36.
A 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 |
| Kunverji Finance Pvt Ltd. | Nil (3,25,00,000) | 71,35,102 (12,07,60,975) | 71,35,102 (12,07,60,975) |
| Bajaj Finance Ltd. | 1,00,000 (Nil) | 1,00,000 (Nil) | 1,00,000 (Nil) |
| Kunverji Fincorp Pvt Ltd. | 23,50,00,000 (15,10,65,835) | 25,43,27,757 (13,25,65,835) | 25,43,27,757 (10,35,00,000) |
| Swadeshi Distributors LLP | 7,35,75,000 (4,76,75,000) | Nil (54,00,000) | 44,22,27,580 (36,86,52,580) |
| Zaveri & Co. Pvt. Ltd. | 6,23,84,00,000 (2,95,04,00,000) | 9,11,04,00,000 (2,55,00,000) | 3,32,71,40,982 (2,92,49,00,000) |
| Parker Multi Commodities (I) Pvt. Ltd. | Nil (75,00,000) | Nil (75,00,000) | Nil (75,00,000) |
| Kifs Financial Service Ltd | Nil (Nil) | Nil (5,53,87,247) | Nil (5,53,87,247) |

Note: Figures in bracket relates to the previous year

The loan is given to the entities for their business purpose.

B Details of Corporate guarantee given to the bank on behalf of :

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---------------------------|------------------------|------------------------|
| Swadeshi Distributors LLP | 50,00,00,000 | 50,00,00,000 |

The corporate guarantee is given to entity for its business purpose.

37. Deferred tax (liability)/ asset :

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| Tax effect of items constituting deferred tax liability | | |
| On difference between carrying value and tax base of : | | |
| Financial instruments | 19,74,892 | 1,01,83,374 |
| Property, Plant & Equipments | 36,978 | 20,687 |
| | 20,11,870 | 1,02,04,061 |
| Tax effect of items constituting deferred tax asset | | |
| On difference between carrying value and tax base of : | | |
| Provision for employee benefits | 1,02,661 | 98,596 |
| Carried forward depreciation | 0 | 2,33,75,568 |
| Carried forward losses | 0 | 2,05,580 |
| MAT credit entitlement | 11,59,50,281 | 0 |
| | 11,60,52,942 | 2,36,79,744 |
| Deferred tax assets recognised (to the extent of deferred tax liability recognised above) | 20,11,870 | 1,02,04,061 |
| Net deferred tax (liability) / asset | 0 | 0 |

38. Income tax
A. Amount recognised in the Statement of Profit and Loss

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Current income tax | 5,39,93,256 | 2,72,05,822 |
| Less- MAT credit entitlement | 69,88,058 | 0 |
| Net current income tax | 4,70,05,198 | 2,72,05,822 |
| Short /(Excess) provision of income tax of earlier years | 30,05,021 | 0 |
| Deferred tax | 0 | 0 |
| Tax expense recognised in the Statement of Profit and Loss | 5,00,10,219 | 2,72,05,822 |

B. Reconciliation of effective tax rate

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---------------------|--------------------|---------------------|--------------------|
| Profit before tax | | 22,51,29,429 | | 12,69,05,370 |
| Tax using the Company's domestic tax rate | 29.120% | 6,55,57,690 | 34.944% | 4,43,45,812 |
| Tax effect of : | | | | |
| Tax exempt income | (0.114%) | (2,57,073) | (0.329%) | (4,17,258) |
| Non-deductible expenses | 8.160% | 1,83,70,375 | 0.146% | 1,85,576 |
| Deductible expenses | (0.053%) | (1,19,241) | (0.101%) | (1,27,754) |
| Unabsorb depreciation | (13.223%) | (2,97,68,422) | 0.000% | 0 |
| Capital gain taxed at special rate | 0.093% | 2,09,927 | 0.000% | 0 |
| Difference due to MAT | (3.104%) | (69,88,058) | (13.223%) | (1,67,80,554) |
| Effective tax | 20.879% | 4,70,05,198 | 21.438% | 2,72,05,822 |

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---------------------|--------------------|---------------------|--------------------|
| Add:- Short/(Excess) provision of income tax of earlier years | 1.335% | 30,05,021 | 0.000% | 0 |
| Income tax recognised in Statement of Profit and Loss | 22.214% | 5,00,10,219 | 21.438% | 2,72,05,822 |

C. Income tax asset/(liability)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---------------------|---------------------|
| Income tax asset | 3,12,06,007 | 1,11,01,419 |
| Income tax liability | -5,19,95,366 | -3,38,60,488 |
| Tax recoverable | 30,14,664 | 38,38,101 |
| Net income tax asset/(liability) | -1,77,74,695 | -1,89,20,968 |

39.
Disclosures as required by IND AS - 19 "Employee benefits"
Defined Benefit Plan :

The company has a defined benefit gratuity plan in India. Gratuity plan is unfunded. The Company's defined benefit gratuity plan is a final salary plan for employees. Gratuity is paid from company as and when it becomes due and is paid as per company scheme for gratuity.

The Company has recognised in the Statement of Profit and Loss for the current year, an amount of Rs.51643/- (previous year - Rs.60533/-) as expenses.

Reconciliation of present value of the defined benefit obligation

| Particulars | Year ended 31 March, 2020 | Year ended 31 March, 2019 |
|---|---------------------------|---------------------------|
| | Gratuity | Gratuity |
| Obligation at the beginning of the year | 2,09,453 | 3,03,634 |
| Current service cost | 35,327 | 36,667 |
| Interest cost | 16,316 | 23,866 |
| Benefits directly paid by the Employer | - | (1,81,731) |
| Actuarial losses/(gains) recognised in other comprehensive income | | |
| -Change in demographic assumptions | - | - |
| -Change in Financial assumptions | 30,404 | 1,705 |
| -Experience variance | (12,555) | 25,312 |
| Obligation at the end of the year | 2,78,945 | 2,09,453 |

Reconciliation of fair value of plan assets

| Particulars | Year ended 31 March, 2020 | Year ended 31 March, 2019 |
|--|---------------------------|---------------------------|
| | Gratuity | Gratuity |
| Fair value of plan assets at the beginning of the year | - | - |
| Expected return on plan assets | - | - |
| Actuarial gain /(loss) | - | - |
| benefits paid | - | - |
| Fair value of plan assets at the end of the year | - | - |

Reconciliation of Net Assets(liability) recognized in the Balance Sheet:

| Particulars | Year ended 31 March, 2020 | Year ended 31 March, 2019 |
|--|------------------------------|------------------------------|
| | Gratuity | Gratuity |
| Present value of the defined benefit obligation at the end of the year | (2,78,945) | (2,09,453) |
| Fair value of plan assets at the end of the year | - | - |
| Amount recognised in the Balance sheet : assets/(Liability) | (2,78,945) | (2,09,453) |

Expenses recognized in the Statement of Profit and Loss for the year:

| Particulars | Year ended 31 March, 2020 | Year ended 31 March, 2019 |
|--|------------------------------|------------------------------|
| | Gratuity | Gratuity |
| Current service cost | 35,327 | 36,667 |
| Interest cost | 16,316 | 23,866 |
| Past service cost | - | - |
| Interest income | - | - |
| Total expense recognised in the Statement of Profit and Loss | 51,643 | 60,533 |

Recognized in the other comprehensive income for the year:

| Particulars | Year ended 31 March, 2020 | Year ended 31 March, 2019 |
|---|------------------------------|------------------------------|
| | Gratuity | Gratuity |
| Actuarial losses/(gains) recognised in other comprehensive income | | |
| -Change in demographic assumptions | - | - |
| -Change in Financial assumptions | 30,404 | 1,705 |
| -Experience variance | (12,555) | 25,312 |
| Recognised in the other comprehensive income | 17,849 | 27,017 |

Actuarial assumptions

| Particulars | Year ended 31 March, 2020 | Year ended 31 March, 2019 |
|---|--|--|
| | Gratuity | Gratuity |
| Discount rate | 6.82% | 7.79% |
| Salary growth | 6.00% | 6.00% |
| Mortality | Indian Assured Lives Mortality(2006-08) | Indian Assured Lives Mortality(2006-08) |
| Attrition rate | 2.00% | 2.00% |
| Weighted Average Duration of the defined benefit obligation | 14 years | 14 years |

The estimates of rate of escalation in salary considered in the actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

Sensitivity Analysis

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

| Particulars | As at 31 March, 2020 | | As at 31 March, 2019 | |
|--|----------------------|----------|----------------------|----------|
| | Decrease | Increase | Decrease | Increase |
| Change in Discount rate (delta effect of +/-1%) | 36522 | (31275) | 26379 | (22794) |
| Change in Salary growth rate (delta effect of +/-1%) | (31776) | 36456 | (23356) | 26589 |
| Change in Attrition rate (delta effect of +/-1%) | (1677) | 1431 | (4096) | 3724 |

Gratuity is a defined benefit plan and company is exposed to the Following risks :

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

Salary risk : The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk : The plan faces the ALM risk as to the matching cash flow. Company has to manage payout based on pay as you go basis from own funds.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

The expected cash flows of defined benefit obligation over the future periods (valued on undiscounted bases)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|---------------------|---------------------|
| | Gratuity | Gratuity |
| Within the next 12 months from the end of the reporting period | 6,558 | 5,865 |
| Between 2 and 5 years | 30,394 | 26,572 |
| Between 6 and 10 years | 50,733 | 42,195 |
| Beyond 10 years | 6,19,844 | 5,00,196 |
| Total expected payments | 7,07,529 | 5,74,828 |

40. Related Party Disclosures:-
40.1 Details of Related Parties

| Description of relationship | Names of related parties |
|---|--|
| Enterprises in which KMP / Relatives of KMP are having control or significant influence | Zaveri & Co. Pvt. Ltd. Zaveri Enterprise Pvt. Ltd. Zaveri Finstock Pvt. Ltd. Zaveri & Co Jewellers Pvt. Ltd. Zaveri Comtrade Pvt. Ltd. (upto 01-09-2019) Sarabai Enterprises Pvt. Ltd. Chokshi Estate Pvt. Ltd. Priyal Projects Pvt. Ltd. (upto 16-03-2020) Priyal International Pvt Ltd Euro Solar Power Pvt Ltd Madhav Solar Pvt Ltd S J Green Park Energy Pvt Ltd. Zaveri & Co Exports. Zaveri Foundation 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 Zaveri Realty LLP Ananta Exim LLP Vrundavan Garden LLP Atit Infrastructure LLP Amazo Infraspace LLP Myspace Infracon LLP Aaron Infraspace LLP S K Z Developers LLP Delectable Foods LLP Safal Homes LLP Abhijit Workspace LLP Amazo Infralink LLP Zaveri Comtrade LLP (w.e.f. 02-09-2019) Priyal Projects LLP (w.e.f.17-03-2020) Panchratna Infrastructure LLP |

| Description of relationship | Names of related parties |
|---|---|
| Joint venture in which the Company is a partner | Swadeshi Distributors LLP Amazo Waste Management Solution LLP IGR Ausom LLP Bsafal.KZ Estate LLP |
| Relatives of Key Management Personnel | Bharat Mandalia Chandresh Mandalia |
| Key Management Personnel (KMP)* | Shri Kishor Mandalia - Managing Director & CEO Shri Zaverilal Mandalia - Non-executive Director Shri Vipul Mandalia - Non-executive Director Shri Ghanshyam Akbari - Non-executive Director Shri Hitesh Adeshara - Non-executive Director Smt. Nirupama Vaghjiani - Non-executive Director |

* Non-Executive Directors are disclosed as Key Management Personnel as per the requirement of Ind AS 24. However, they are not Key Management Personnel as per Companies Act, 2013.

40.2 Transactions during the year with related parties.

| Sr. No. | Nature of Transactions | KMP | Joint venture in which the Company is a partner | Entities in which Key Management Personnel & their relatives having control or significant influence | Relatives of KMP | Total |
|---------|------------------------|------------------|---|--|------------------|----------------------------|
| 1 | Purchase of goods | NIL (NIL) | NIL (NIL) | 1992942 (1710318) | NIL (NIL) | 1992942 (1710318) |
| 2 | Sale of goods | NIL (NIL) | NIL (NIL) | 0 (6220000) | NIL (NIL) | 0 (6220000) |
| 3 | Loans taken from | NIL (NIL) | NIL (NIL) | NIL (14000000) | NIL (NIL) | NIL (14000000) |
| 4 | Loans repaid to | NIL (NIL) | NIL (NIL) | NIL (14000000) | NIL (NIL) | NIL (14000000) |
| 5 | Loans given | NIL (NIL) | 73575000 (47675000) | 6238400000 (2950400000) | NIL (NIL) | 6311975000 (2998075000) |
| 6 | Loans received back | NIL (NIL) | NIL (5400000) | 9110400000 (25500000) | NIL (NIL) | 9110400000 (30900000) |
| 7 | Brokerage paid | NIL (NIL) | NIL (NIL) | 402630 (154333) | NIL (NIL) | 402630 (154333) |
| 8 | Rent paid | NIL (NIL) | NIL (NIL) | 118800 (281550) | NIL (NIL) | 118800 (281550) |
| 9 | Interest received | NIL (NIL) | 96814217 (72117780) | 198381331 (16267758) | NIL (NIL) | 295195548 (88385538) |
| 10 | Sitting fees | 26000 (27000) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 26000 (27000) |
| 11 | Reimbursement given to | 6600 (10800) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 6600 (10800) |

| | | | | | | |
|----|---|-------------------|--------------------------|---------------------------|-------------------|---------------------------|
| 12 | Capital Contribution (net) | NIL (NIL) | 22369025 (175108000) | NIL (NIL) | NIL (NIL) | 22369025 (175108000) |
| 13 | Share of Loss from LLP | NIL (NIL) | 32823048 (194421) | NIL (NIL) | NIL (NIL) | 32823048 (194421) |
| 14 | Purchase of Property, plant & Equipment | NIL (NIL) | NIL (NIL) | NIL (1455683) | NIL (NIL) | NIL (1455683) |
| 15 | Redemption of preference share capital | 59000000 (NIL) | NIL (NIL) | NIL (NIL) | 41000000 (NIL) | 100000000 (NIL) |
| 16 | Balances outstanding at the end of the year Loans & Advances receivable | NIL (NIL) | 490434357 (368652580) | 246084180 (2939540982) | NIL (NIL) | 736518537 (3308193562) |
| | Trade payables | NIL (NIL) | NIL (NIL) | NIL (310846) | NIL (NIL) | NIL (310846) |
| | Trade receivables | NIL (NIL) | NIL (NIL) | 3803535 (2276436) | NIL (NIL) | 3803535 (2276436) |

Note: Figures in bracket relates to the previous year

41. Financial Instruments

a) The carrying value and fair value of financial instruments by categories at 31 March 2020 and 31 March 2019 is as follows :

(Amount in Rupees)

| Particulars | Carrying value | | Fair value | |
|--------------------------------------|------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 | As at 31 March 2020 | As at 31 March 2019 |
| Financial assets | | | | |
| At Fair value through profit or loss | | | | |
| Investment | 52,07,89,861 | 49,53,57,302 | 52,07,89,861 | 49,53,57,302 |
| At Amortised cost | | | | |
| Trade Receivables | 2,51,67,22,207 | 3,19,93,95,713 | 2,51,67,22,207 | 3,19,93,95,713 |
| Cash and Bank balances | 1,85,85,224 | 1,32,73,860 | 1,85,85,224 | 1,32,73,860 |
| Loans | 50,97,68,562 | 3,27,57,15,244 | 50,97,68,562 | 3,27,57,15,244 |
| Other non current financial assets | 2,84,775 | 3,84,775 | 2,84,775 | 3,84,775 |
| Other current financial assets | 31,20,06,405 | 18,64,61,967 | 31,20,06,405 | 18,64,61,967 |
| Total assets | 3,87,81,57,034 | 7,17,05,88,861 | 3,87,81,57,034 | 7,17,05,88,861 |
| Financial liabilities | | | | |
| At Amortised cost | | | | |
| Current Borrowings | 2,51,74,23,854 | 3,41,40,92,261 | 2,51,74,23,854 | 3,41,40,92,261 |
| Trade payables | 49,82,10,691 | 3,19,64,76,372 | 49,82,10,691 | 3,19,64,76,372 |
| Other current financial liabilities | 2,14,799 | 83,09,374 | 2,14,799 | 83,09,374 |
| Total liabilities | 3,01,58,49,344 | 6,61,88,78,007 | 3,01,58,49,344 | 6,61,88,78,007 |

b) Fair value measurement :

Level 1 : Quoted price in active markets for identical assets or liabilities

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly

Level 3 : Inputs for the assets or liabilities that are not based on observable market data (unobservable data)

Following table presents the Fair value measurement hierarchy for financial assets and financial liabilities :

| Particulars | As at | Total | Level 1 | Level 2 | Level 3 |
|--------------------------------------|---------------|--------------|---------|---------|--------------|
| Financial assets | | | | | |
| At Fair value through profit or loss | | | | | |
| Investment | 31 March 2020 | 52,07,89,861 | 0 | 0 | 52,07,89,861 |
| | 31 March 2019 | 49,53,57,302 | 0 | 0 | 49,53,57,302 |
| | | | | | |

c) Fair valuation method

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

d) Financial Instrument measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

42. Financial risk management

The Company has exposure to the following risks arising from financial instruments :

- Credit risk
- Liquidity risk
- Interest rate risk

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate controls and to monitor risks and adherence to controls. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instruments fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, dealing in derivatives, loans and current assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The carrying amount of financial asset represent the maximum credit exposure.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by its customers. However, the management also considers the factors that may influence the credit risk of its customer base.

The Company limits its exposure to credit risk with counter-parties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties and hence no loss allowance is recognised.

ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's objective is to maintain a balance between cash outflow and inflow. Usually, the excess of funds is invested in fixed deposits. This is generally carried out in accordance with practice and limits set by the Company.

The working capital position of the Company is given below :

| Particulars | As at | |
|--------------------------|------------------|------------------|
| | 31/03/2020 | 31/03/2019 |
| Cash and cash equivalent | 84,85,224 | 33,73,860 |
| Total | 84,85,224 | 33,73,860 |

The table below provides details regarding the contractual maturities of significant financial liabilities :

| Particulars | As at | Less than 1 year | | Above 1 year | |
|-----------------------------|------------|------------------|----------------|--------------|------------|
| | | 31/03/2020 | 31/03/2019 | 31/03/2020 | 31/03/2019 |
| Borrowing | 31/03/2020 | 2,51,74,23,854 | | | 0 |
| | 31/03/2019 | | 3,41,40,92,261 | | 0 |
| Trade payable | 31/03/2020 | 49,82,10,691 | | | 0 |
| | 31/03/2019 | | 3,19,64,76,372 | | 0 |
| Other financial liabilities | 31/03/2020 | 2,14,799 | | | 0 |
| | 31/03/2019 | | 83,09,374 | | 0 |

iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates and investments.

43 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The company monitors capital using gearing ratio, which is as follows:

| Particulars | As at | |
|--|----------------|----------------|
| | 31/03/2020 | 31/03/2019 |
| Total equity attributable to the equity shareholders | 96,48,08,694 | 78,97,02,135 |
| Gross Debt | 2,51,74,23,854 | 3,41,40,92,261 |
| Less: Cash and cash equivalent | 84,85,224 | 33,73,860 |
| Net Debt | 2,50,89,38,630 | 3,41,07,18,401 |
| Net gearing ratio (Debt/ Equity) | 2.60 | 4.32 |

44 Current year share of loss arising from the joint venture i.e. Bsafal.kz Estate LLP is recognized on the basis of its Un-audited Financial Statements. The difference between audited financial statements where ever applicable, and amount accounted for will be adjusted in the subsequent year.

Consolidated Financial Statements 2019-20

INDEPENDENT AUDITOR'S REPORT**To the Members of Ausom Enterprise Limited,
Report on the Audit of the Consolidated Indian Accounting Standards (Ind AS) Financial Statements****Opinion**

We have audited the accompanying consolidated Ind AS financial statements of **Ausom Enterprise Limited** ("the Company") and its joint ventures, which comprise the consolidated balance sheet as at 31st March, 2020 and the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("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 consolidated state of affairs of the Company and its joint ventures as at 31st March, 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flow for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

Without qualifying our opinion, we draw attention to note no. 44 of the consolidated Ind AS financial statements which describes that recognition of share of loss arising from the joint venture is accounted for on the basis of its unaudited financial statements.

Our opinion is not modified in respect of this matter.

Key Audit Matters

In our opinion and based on audit of the consolidated Ind AS financial statement of the Company, we have determined that there are no key audit matters to communicate in our report.

Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors is responsible for the other information. The other information comprises the information included in the annual report of the Company, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flow of the Company including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with relevant rules thereunder. The respective Board of Directors of the Company and its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and its joint venture 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Company, as aforesaid.

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

Those respective Board of Directors of the Company and its joint ventures are also responsible for overseeing the financial reporting process of the Company and its joint ventures.

Auditor's Responsibility for the Audit of the Consolidated Ind AS Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company and its joint ventures included in the consolidated financial statements of which we are independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended 31st March, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The consolidated Ind AS financial statements include the Company's share of net loss of Rs.3,28,23,048/- for the year ended 31st March, 2020 as considered in the consolidated Ind AS financial statements, in respect of four joint ventures i.e. Swadeshi Distributors LLP, Amazo Waste Management Solution LLP, IGR Ausom LLP and Bsafal KZ Estate LLP. The financial statements and other financial information of Swadeshi Distributors LLP, IGR Ausom LLP and Amazo Waste Management Solution LLP have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements in so far as it relates to the amounts and disclosures included in respect of these joint ventures and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid joint ventures, is based solely on the report of the other auditor. Further, the share of net loss from BSafal KZ Estate LLP is recognized on the basis of its unaudited financial statements (refer note no.44 of the consolidated financial statement). Our opinion is not modified/qualified in respect of these matters.

Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditor and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept by the Company and its joint ventures so far as it appears from our examination of those books and reports of other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statement.
 - d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder.
 - e) On the basis of the written representations received from the directors of the Company as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - 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, as amended, 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 the consolidated financial position of the Company and its joint ventures in the consolidated Ind AS financial statements (refer note no.34 to the consolidated Ind AS financial statements).
 - ii. The Company and its joint ventures did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its joint ventures.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, the Company has not provided remuneration to its directors during the year.

PLACE : AHMEDABAD**DATE : 01-09-2020****For, SWETA PATEL & ASSOCIATES****Chartered accountants,
(Registration No. 139165W)****(Hemang V Patel)**

Partner

Membership No. 154494

UDIN - 20154494AAAABC9466

Annexure 'A' to the Independent Auditors' Report

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date]

Report on the Internal Financial Controls Over Financial Reporting 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 31st March, 2020 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date. Since the joint ventures are incorporated as Limited Liability Partnership ('LLP') under LLP Act, 2008, the reporting requirements on adequacy and operating effectiveness of internal financial controls over financial reporting under Section 143(3)(i) of the Act is not applicable for this LLP.

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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

Auditor's 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 issued by the Institute of Chartered Accountants of India 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 control 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 auditor's judgment including the assessment of the risks of material misstatement of the Ind AS 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 31st March, 2020, 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 issued by the Institute of Chartered Accountants of India.

PLACE : AHMEDABAD

DATE : 01-09-2020

For, SWETA PATEL & ASSOCIATES

Chartered accountants,

(Registration No. 139165W)

(Hemang V Patel)

Partner

Membership No. 154494

UDIN - 20154494AAAABC9466

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2020

| Particulars | Note No. | As at 31 March 2020 | As at 31 March 2019 |
|--|----------|---|-----------------------|
| | | Rupees | Rupees |
| ASSETS | | | |
| Non-current assets | | | |
| Property, Plant and Equipments | 3 | 13,52,855 | 14,78,353 |
| Financial assets | | | |
| Investments | 4 | 52,07,89,861 | 49,53,57,302 |
| Other non-current financial assets | 5 | 2,84,775 | 3,84,775 |
| Income tax assets (net) | 6 | 30,14,664 | 38,38,101 |
| | | 52,54,42,155 | 50,10,58,531 |
| Current assets | | | |
| Inventories | 7 | 9,50,20,522 | 19,06,13,131 |
| Financial assets | | | |
| Trade Receivables | 8 | 2,51,67,22,207 | 3,19,93,95,713 |
| Cash and cash equivalents | 9 | 84,85,224 | 33,73,860 |
| Bank balances other than Cash and cash equivalents above | 10 | 1,01,00,000 | 99,00,000 |
| Loans | 11 | 50,97,68,562 | 3,27,57,15,244 |
| Other current financial assets | 12 | 31,20,06,405 | 18,64,61,967 |
| Other current assets | 13 | 1,42,29,907 | 6,60,47,285 |
| Non-current assets held for sale | | 1,06,64,265 | 0 |
| | | 3,47,69,97,092 | 6,93,15,07,200 |
| TOTAL ASSETS | | 4,00,24,39,247 | 7,43,25,65,731 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Equity share capital | 14 | 13,62,46,270 | 13,62,46,270 |
| Other Equity | 15 | 82,85,62,424 | 65,34,55,865 |
| | | 96,48,08,694 | 78,97,02,135 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Non current Provisions | 16 | 2,78,946 | 2,09,453 |
| Non-current tax liabilities (net) | 17 | 33,30,244 | 49,95,366 |
| | | 36,09,190 | 52,04,819 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Current Borrowings | 18 | 2,51,74,23,854 | 3,41,40,92,261 |
| Trade payables | 19 | | |
| - Total outstanding dues of micro enterprises and small enterprise | | 0 | 0 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 49,82,10,691 | 3,19,64,76,372 |
| Other current financial liabilities | 20 | 2,14,799 | 83,09,374 |
| Other current liabilities | 21 | 7,12,904 | 10,17,067 |
| Current tax liabilities (net) | 22 | 1,74,59,115 | 1,77,63,703 |
| | | 3,03,40,21,363 | 6,63,76,58,777 |
| TOTAL EQUITY AND LIABILITIES | | 4,00,24,39,247 | 7,43,25,65,731 |
| Significant Accounting Policies | | 2 | |
| The accompanying notes from 1 to 46 are integral part of financial statements. | | | |
| As per our report of even date. | | | |
| For, Sweta Patel & Associates | | For and on behalf of the Board of Directors | |
| Chartered Accountants, | | ZAVERILAL MANDALIA | KISHOR MANDALIA |
| (Firm Reg. No. 139165W) | | Director | Managing Director |
| (Hemang V. Patel) | | | |
| Partner | | RUPESH SHAH | YOGESH GHATGE |
| Membership No. 154494 | | Chief Financial Officer | Company Secretary |
| UDIN:- 20154494AAAABC9466 | | | |
| Place : Ahmedabad | | Place : Ahmedabad | |
| Date : 01-09-2020 | | Date : 01-09-2020 | |

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2020

| Particulars | Note No. | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|---|----------|--------------------------------------|--------------------------------------|
| | | Rupees | Rupees |
| Income | | | |
| Revenue from operations | 23 | 10,72,71,08,200 | 4,41,45,55,878 |
| Other income | 24 | 30,14,11,868 | 10,48,40,698 |
| Total revenue | | 11,02,85,20,068 | 4,51,93,96,576 |
| Expenses | | | |
| Cost of Material consumed | 25 | 10,29,64,28,517 | 4,15,31,19,752 |
| Purchases of stock-in-trade | 26 | 11,19,78,470 | 14,50,57,080 |
| Changes in inventories of finished goods, stock-in-trade and work in progress | 27 | 9,55,92,609 | 3,43,69,247 |
| Employee benefits expense | 28 | 13,22,230 | 13,21,544 |
| Finance costs | 29 | 25,29,31,315 | 4,96,11,749 |
| Depreciation and amortisation expense | 3 | 1,43,998 | 52,026 |
| Other expenses | 30 | 1,21,70,452 | 87,65,387 |
| Total expenses | | 10,77,05,67,591 | 4,39,22,96,785 |
| Share of Loss from Joint ventures (net) | | 3,28,23,048 | 1,94,421 |
| Profit before tax | | 22,51,29,429 | 12,69,05,370 |
| Tax expense: | | | |
| Current Income Tax | 38 | 5,00,10,219 | 2,72,05,822 |
| Deferred tax | 37 | 0 | 0 |
| Profit for the year | | 17,51,19,210 | 9,96,99,548 |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement gain/(loss) on defined benefit plans | | (17,849) | (27,017) |
| Income tax relating to above item | | 5,198 | 5,822 |
| Other comprehensive income for the year | | (12,651) | (21,195) |
| Total Comprehensive income for the year | | 17,51,06,559 | 9,96,78,353 |
| Earnings per Equity Share | 31 | | |
| Basic | | 12.85 | 7.32 |
| Diluted | | 12.85 | 7.32 |

2

Significant Accounting Policies

The accompanying notes from 1 to 46 are integral part of financial statements.

As per our report of even date.

For, Sweta Patel & Associates
Chartered Accountants,
(Firm Reg. No. 139165W)
(Hemang V. Patel)
Partner
Membership No. 154494
UDIN:- 20154494AAAABC9466

Place : Ahmedabad
Date : 01-09-2020

For and on behalf of the Board of Directors

ZAVERILAL MANDALIA
Director

KISHOR MANDALIA
Managing Director

RUPESH SHAH
Chief Financial Officer

YOGESH GHATGE
Company Secretary

Place : Ahmedabad
Date : 01-09-2020

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31 MARCH, 2020

| | For the year ended 31-March-20 | | For the year ended 31-March-19 | |
|---|-----------------------------------|-------------------------|-----------------------------------|-------------------------|
| | Rupees | Rupees | Rupees | Rupees |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit before taxation and extraordinary items | | 22,51,29,429 | | 12,69,05,370 |
| Adjustment for | | | | |
| Depreciation | 1,43,998 | | 52,026 | |
| Interest income | (29,64,95,220) | | (10,36,43,363) | |
| Interest expense | 25,29,31,315 | | 4,96,11,749 | |
| Profit on sale of investments | (22,73,284) | | 0 | |
| Remeasurement gain/(loss) on defined benefit plans | (17,849) | | (27,017) | |
| | | <u>(4,57,11,040)</u> | | <u>(5,40,06,605)</u> |
| Operating Profit before Working Capital Changes | | 17,94,18,389 | | 7,28,98,765 |
| Decrease/(Increase) in Trade Receivable | 68,26,73,506 | | (3,19,08,29,733) | |
| Decrease/(Increase) in Inventories | 9,55,92,609 | | 3,43,69,247 | |
| Increase/(Decrease) in Non-current provision | 69,493 | | (94,181) | |
| Increase/(Decrease) in other current liability | (3,04,163) | | 9,06,091 | |
| Increase/(Decrease) in other current financial liability | (80,94,575) | | (8,51,01,357) | |
| Decrease/(Increase) in other current assets | 5,18,17,378 | | (5,80,64,457) | |
| Decrease/(Increase) in other current financial assets | (12,55,44,438) | | 7,83,61,482 | |
| Decrease/(Increase) in other non-current financial assets | 1,00,000 | | 2,48,636 | |
| Decrease/(Increase) in other bank balance | (2,00,000) | | 0 | |
| Increase/(Decrease) in Trade Payable | (2,69,82,65,681) | (2,00,21,55,871) | 3,10,35,06,796 | (11,66,97,476) |
| Cash Generated from Operations | | <u>(1,82,27,37,482)</u> | | <u>(4,37,98,711)</u> |
| Income tax (net) | | <u>(5,11,51,294)</u> | | <u>(2,13,39,439)</u> |
| Net cash from operating activities | | (1,87,38,88,776) | | (6,51,38,150) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of Non current investment | (10,00,000) | | (1,00,00,000) | |
| Capital contribution in LLP | (2,53,26,420) | | (20,51,61,926) | |
| Purchase of Property, Plant & Equipment | (1,06,82,765) | | (14,62,885) | |
| Movement in Loan given | 2,76,59,46,682 | | (2,83,47,46,631) | |
| Proceeds from sale of investments | 31,67,145 | | 0 | |
| Interest Received | 29,64,95,220 | | 10,36,43,363 | |
| Net cash from investing activities | | 3,02,85,99,862 | | (2,94,77,28,079) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Proceeds/(repayment) from/of current borrowings | (88,95,92,734) | | 3,06,15,16,588 | |
| Interest Paid | (25,29,31,315) | | (4,96,11,749) | |
| Net cash used in financing activities | | (1,14,25,24,049) | | 3,01,19,04,839 |
| Net increase in cash & cash equivalents | | 1,21,87,037 | | (9,61,390) |
| Cash & Cash equivalents at beginning of period | | (37,01,813) | | (27,40,423) |
| Cash & Cash equivalents at end of period | | 84,85,224 | | (37,01,813) |

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

| | As at 31-03-2020 | As at 31-03-2019 |
|----------------------------------|------------------|--------------------|
| Cash On Hand | 6,01,862 | 7,39,525 |
| Bank Balance with Schedule Banks | 78,83,362 | 26,34,335 |
| Bank overdraft facility | 0 | (70,75,673) |
| Total | 84,85,224 | (37,01,813) |

As per our report of even date
For, Sweta Patel & Associates
Chartered Accountants,
(Firm Reg. No. 139165W)

(Hemang V Patel)
Partner
Membership No. 154494
UDIN:- 20154494AAAABC9466

Place : Ahmedabad
Date : 01-09-2020

For and on behalf of the Board of Directors
ZAVERILAL MANDALIA KISHOR MANDALIA
Director Managing Director

RUPESH SHAH YOGESH GHATGE
Chief Financial Officer Company Secretary

Place : Ahmedabad
Date : 01-09-2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020
(A) Equity share capital

| Particulars | Note No. | As at 31-March-20 Rupees | As at 31-March-19 Rupees |
|---|----------|-----------------------------|-----------------------------|
| Opening balance | | 13,62,46,270 | 13,62,46,270 |
| Changes in equity share capital during the year | | 0 | 0 |
| Closing Balance | 14 | 13,62,46,270 | 13,62,46,270 |

(B) Other Equity

| Particulars | Note No. | Equity component of Non-Cumulative Redeemable Participating | | Reserves & surplus | | Other comprehensive income Remeasurement gain/ (loss) on defined benefit plans | Total |
|--|----------|---|---------------------|--------------------|---------------------|--|---------------------|
| | | Preference shares | Securities premium | Capital reserve | Retained earnings | | |
| Balance as at 01 April 2018 | 15 | 6,38,58,300 | 36,41,18,400 | 86,000 | 12,57,91,493 | (76,681) | 55,37,77,512 |
| Add- Profit for the year | | 0 | 0 | 0 | 9,96,99,548 | 0 | 9,96,99,548 |
| Add- Remeasurement gain/ (loss) on defined benefit plans (net of tax) | | 0 | 0 | 0 | 0 | (21,195) | (21,195) |
| Balance as at 31 March 2019 | 15 | 6,38,58,300 | 36,41,18,400 | 86,000 | 22,54,91,041 | (97,876) | 65,34,55,865 |
| Add- Profit for the year | | 0 | 0 | 0 | 17,51,19,210 | 0 | 17,51,19,210 |
| Add- Remeasurement gain/ (loss) on defined benefit plans (net of tax) | | 0 | 0 | 0 | 0 | (12,651) | (12,651) |
| Add- Transfer to retained earnings on account of redemption preference share capital | | (6,38,58,300) | 0 | 0 | 6,38,58,300 | 0 | 0 |
| Balance as at 31 March 2020 | 15 | 0 | 36,41,18,400 | 86,000 | 46,44,68,551 | (1,10,527) | 82,85,62,424 |

The accompanying notes from 1 to 46 are integral part of financial statements.
As per our report of even date.

For, Sweta Patel & Associates
Chartered Accountants,
(Firm Reg. No. 139165W)

(Hemang V. Patel)
Partner
Membership No. 154494
UDIN:- 20154494AAAABC9466

Place : Ahmedabad
Date : 01-09-2020

For and on behalf of the Board of Directors

ZAVERILAL MANDALIA
Director

KISHOR MANDALIA
Managing Director

RUPESH SHAH
Chief Financial Officer

YOGESH GHATGE
Company Secretary

Place : Ahmedabad
Date : 01-09-2020

1. Corporate Information

Ausom Enterprise Limited ("the Company") is a public limited Company incorporated in India with registered office at 11-B, New Ahmedabad Industrial Estate, Sarkhej Bavla Road, Moraiya, Ahmedabad - 382 213, Gujarat and principal place of business at 606, 'Swagat', Near Lal Bunglow, C. G. Road, Ahmedabad – 380 006, Gujarat. The equity shares of the Company are listed on two recognised stock exchanges in India. The Company is principally engaged in the business of trading in Commodities, Bullions, Gold Jewellery, Diamonds, Derivatives, Shares and Securities and manufacturing Gold Jewellery.

2. Significant accounting policies**2.1 Basis of Preparation****Statement of Compliance with Indian Accounting Standards (Ind AS) :**

The consolidated financial statements have been prepared in accordance with Ind AS notified under the Companies ('Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act and other accounting principles generally accepted in India.

2.2 Basis of consolidation

The consolidated Ind AS financial statements comprise the financial statement of the Company and its joint venture. A joint venture is a joint arrangement whereby the parties, that have joint control of the arrangement, have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The results and assets and liabilities of the joint venture are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS-105 "Non-current Assets Held for Sale and Discontinued Operations". Under the equity method, an investment in the joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Company's share of the profit or loss and other comprehensive income of the joint venture. When the Company's share of losses of the joint venture exceeds the Company's interest in that joint venture, the Company discontinues recognising its share of further losses. Additional losses are recognized to the extent that the Company has incurred legal or constructive obligation or made payment on behalf of the joint venture.

After application of the equity method of accounting, the Company determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Company's investment in a joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases. (Refer note no.45 of the consolidated financial statement for disclosure of interest in joint venture)

2.3 Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The difference between the actual results and estimates are recognized in the period in which the results are known or materialised. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

2.4 Critical accounting estimates

A. Income taxes

The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes including amounts to be recovered or paid for uncertain tax positions. Management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

B. Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

2.5 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection.

- A. Revenue from sale of goods 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 at fair value.
 - (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 at fair value.
- E. Units of Mutual Funds
Units of Mutual Fund transactions are accounted at fair value 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 at fair value.
- G. Other Income
Revenue in respect of other income is recognized when no significant uncertainty as to its determination or realization exist.

2.6 Property, Plant & Equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price (Net of GST input credit wherever applicable) and any attributable cost of bringing the assets to its working condition for its intended use. Such cost also includes the borrowing costs if the recognition criteria are met.

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.

The residual values, useful lives and methods of depreciation of Property, plant and equipment are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

Capital work-in-progress:

Assets those are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses.

2.7 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 fair value through Profit and Loss Account.
- (iii) Raw materials and work in progress are valued at cost or net realizable value whichever is lower. Cost is arrived at by using FIFO method.
- (iv) Finished goods are valued at cost or net realizable value whichever is lower. Cost comprises of purchase price of Raw materials, conversion cost and other costs incurred in bringing them to their present location and condition. FIFO method is used to arrive at cost.

2.8 Cash Flow

The cash flow Statement reported using indirect method 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. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

2.9 Retirement and other 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.

Defined contribution plans: Provident fund

Eligible employees of the Company receive benefits from a provident fund, which is defined contribution plan. Both the eligible employees and the Company make monthly contributions to the provident fund equal to a specified percentage of the covered employee's salary. Company's contributions are charged as an expense in the Statement of Profit and Loss as they fall due based on the amount of contribution required to be made and when services are rendered by the employee.

Defined benefit plans: Gratuity

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on respective employee's salary and tenure of employment with the Company.

Liabilities with regard to Gratuity plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using projected unit credit method.

The Company recognises the obligation of a defined benefit plan in its Balance Sheet as a liability by corresponding recognised as an expense in the Statement of Profit and Loss.

Gains and losses through re-measurements of the defined benefit liability are recognised in other comprehensive income.

2.10 Taxes

Income tax expense comprises current income tax and deferred income tax. Income tax expense is recognised in the Statement of Profit and Loss except to the extent it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income or other equity as the case may be.

Current income tax

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profits.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off tax assets against tax liabilities.

2.11 Financial instruments**(a) Non-derivative financial instruments:****Initial recognition and measurement**

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

Subsequent measurement**Financial assets carried at amortised cost**

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

Financial assets at fair value through other comprehensive income (FVOCI)

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

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

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

(b) Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit and loss immediately.

Derecognition of financial instruments**Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of profit and loss if such gain or loss would have otherwise been recognised in statement of profit and loss on disposal of that financial asset.

Financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.12 Impairments**Impairment of financial assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in the statement of profit and loss.

Impairment of non-financial assets:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss. When an impairment loss subsequently reverses, the carrying

amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of impairment loss is recognised immediately in the statement of profit and loss.

2.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

2.14 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

2.15 Foreign Currency Transactions and Translations

Functional currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees.

Transactions and balances

Foreign currency transactions are recorded in the functional currency by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. All foreign currency monetary assets and monetary liabilities as at the Balance Sheet date are translated into the functional currency at the applicable exchange rates prevailing on that date. All exchange differences arising on translation, are recognised in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Gain or losses upon settlement of foreign currency transactions are recognised in the Statement of Profit and Loss for the period in which the transaction is settled.

2.16 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.17 Borrowing Costs

Borrowing costs are interest and other cost incurred in connection with borrowing of fund. Borrowing cost attributable to acquisition or construction of an asset which necessary takes a substantial period of time to get ready for their intended use are capitalised as part of cost of asset. All other borrowing costs are recognised to the Statement of Profit and Loss as an expense in the period in which they are incurred.

3. Property, Plant and Equipments

(Amount in Rupees)

| DESCRIPTION | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|------------------------|---------------------|------------------|---------------------------|---------------------|-----------------|---------------------------|---------------------|---------------------|---------------------|--|
| | As at 01/04/2019 | Additions | Deletions/ Adjustments | As at 31/03/2020 | For the Year | Deletions/ Adjustments | As at 31/03/2020 | As at 31/03/2020 | As at 31/03/2019 | |
| | | | | | | | | | | |
| Plant & Equipment | 11,72,750 | 18,500 | 0 | 11,91,250 | 75,446 | 0 | 91,833 | 10,99,417 | 11,56,363 | |
| Furniture and Fixtures | 2,28,898 | 0 | 0 | 2,28,898 | 21,520 | 0 | 1,32,550 | 96,348 | 1,17,868 | |
| Office Equipment | 2,50,301 | 0 | 0 | 2,50,301 | 35,790 | 0 | 1,05,051 | 1,45,250 | 1,81,040 | |
| Computer | 1,22,200 | 0 | 0 | 1,22,200 | 11,242 | 0 | 1,10,360 | 11,840 | 23,082 | |
| Total | 17,74,149 | 18,500 | 0 | 17,92,649 | 1,43,998 | 0 | 4,39,794 | 13,52,855 | 14,78,353 | |
| Previous year | 3,11,264 | 14,62,885 | 0 | 17,74,149 | 52,026 | 0 | 2,95,796 | 14,78,353 | | |

4. Investments

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|--|------------------------|------------------------|
| | Rupees | Rupees |
| Trade investments in Joint Venture (valued as per the equity method) (Long-term) | | |
| Investment in Limited Liability Partnership -Capital contribution in | | |
| - Swadeshi Distributors LLP | 28,77,30,891 | 28,69,12,369 |
| - Amazo Waste Management Solution LLP | 98,99,893 | 1,00,84,497 |
| - Bsafal.KZ Estate LLP | 18,93,20,910 | 16,48,00,780 |
| - IGR Ausom LLP | 1,72,372 | 0 |
| Non-Trade Investments (unquoted & valued at cost) (Long-term) | | |
| Investment in Equity instruments | | |
| - 303039 (31/03/2019: 303039) Equity Shares of Rs. 10 each fully paid up in Grover Zampa Vineyards Ltd | 2,24,28,892 | 2,24,28,892 |
| Investment in Preference shares | | |
| - 97619 (31/03/2019: 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 (31/03/2019: 12727) Debentures of Rs. 100 each fully paid up in Grover Zampa Vineyards Ltd | 12,72,745 | 12,72,745 |
| Investment in Mutual fund | | |
| - 31.06 units (31/03/2019 : 40) J M Financial India Fund II | 31,06,139 | 40,00,000 |
| - J M Financial India Fund I Distressed Opportunity Fund | 10,00,000 | 0 |
| Total | 52,07,89,861 | 49,53,57,302 |

| | | |
|--|---------------------|---------------------|
| Aggregate amount of unquoted investment | 52,07,89,861 | 49,53,57,302 |
| Aggregate amount of impairment in value of investment | 0 | 0 |

5. Other non-current financial assets

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|----------------------------|------------------------|------------------------|
| | Rupees | Rupees |
| Fixed deposits | 0 | 2,00,000 |
| Security deposits | | |
| Unsecured, considered good | 2,84,775 | 1,84,775 |
| Total | 2,84,775 | 3,84,775 |

6. Income tax assets (net)

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|---------------------------------------|------------------------|------------------------|
| | Rupees | Rupees |
| Advance income tax (net of provision) | 30,14,664 | 38,38,101 |
| Total | 30,14,664 | 38,38,101 |

7. Inventories

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|-----------------------|------------------------|------------------------|
| | Rupees | Rupees |
| Stock-in-trade | | |
| - Shares & securities | 9,31,22,899 | 19,05,21,000 |
| - Work in progress | 3,123 | 92,131 |
| - Finished goods | 18,94,500 | 0 |
| Total | 9,50,20,522 | 19,06,13,131 |

8. Trade Receivables

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|---|------------------------|------------------------|
| | Rupees | Rupees |
| Unsecured, considered good (refer note 40 for related party disclosure) | 2,51,67,22,207 | 3,19,93,95,713 |
| Total | 2,51,67,22,207 | 3,19,93,95,713 |

9. Cash and cash equivalents

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|--|------------------------|------------------------|
| | Rupees | Rupees |
| Cash and cash equivalents | | |
| Balance with Banks - In current accounts | 78,83,362 | 26,34,335 |
| Cash on hand | 6,01,862 | 7,39,525 |
| Total | 84,85,224 | 33,73,860 |

10. Bank balances other than Cash and cash equivalents above

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|-----------------------------------|------------------------|------------------------|
| | Rupees | Rupees |
| Margin money deposits (Note 10.1) | 1,01,00,000 | 99,00,000 |
| Total | 1,01,00,000 | 99,00,000 |

10.1

Margin money deposits are given against overdraft facilities availed from banks.

11. Loans

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|--|------------------------|------------------------|
| | Rupees | Rupees |
| Loans and advances (at amortised cost) | | |
| Unsecured, considered good | | |
| Related parties (Note No.:- 40) | 50,97,68,562 | 3,25,72,15,244 |
| Others | 0 | 1,85,00,000 |
| Total | 50,97,68,562 | 3,27,57,15,244 |

12. Other current financial assets

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|-----------------------------|------------------------|------------------------|
| | Rupees | Rupees |
| Interest accrued on | | |
| Investments | 4,86,07,440 | 3,57,80,444 |
| Fixed deposits | 14,87,774 | 14,98,699 |
| Loans | 23,05,60,459 | 6,22,39,321 |
| Margin money with exchanges | 2,75,74,223 | 8,61,33,106 |
| Others | 37,76,509 | 8,10,397 |
| Total | 31,20,06,405 | 18,64,61,967 |

13. Other current assets

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|-------------------------------------|------------------------|------------------------|
| | Rupees | Rupees |
| Balances with statutory authorities | 70,20,208 | 89,32,365 |
| Prepaid Expenses | 64,75,605 | 5,70,75,120 |
| Others | 7,34,094 | 39,800 |
| Total | 1,42,29,907 | 6,60,47,285 |

14. Equity share capital

| Particulars | As at 31 MARCH 2020 | | As at 31 MARCH 2019 | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 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 |
| Forfeited equity shares(Amount originally paid up) | | 10,750 | | 10,750 |
| Total | | 13,62,46,270 | | 13,62,46,270 |

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

| Particulars | Opening Balance | Issue | Buy back | Closing Balance |
|---------------------------|-----------------|-------|----------|-----------------|
| Equity shares | | | | |
| Year ended 31 March, 2020 | | | | |
| - 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, 2019 | | | | |
| - Number of shares | 1,36,23,552 | - | - | 1,36,23,552 |
| - Amount (Rs) | 13,62,35,520 | - | - | 13,62,35,520 |

14.2 Details of shareholders holding more than 5% shares in the company

| Class of shares / Name of shareholder | As at 31 MARCH 2020 | | As at 31 MARCH 2019 | |
|--|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares of Rs. 10 each fully paid | | | | |
| 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 |
| Dakshaben 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 |

14.3 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.

15. Other Equity

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|---|------------------------|------------------------|
| | Rupees | Rupees |
| Capital reserve (Profit on reissue of forfeited shares) | 86,000 | 86,000 |
| Securities Premium | 36,41,18,400 | 36,41,18,400 |
| Retained earnings * | 46,44,68,551 | 22,54,91,041 |
| Equity component of Non-Cumulative Redeemable Participating Preference shares | 0 | 6,38,58,300 |
| Other Comprehensive Income * | -1,10,527 | -97,876 |
| Total | 82,85,62,424 | 65,34,55,865 |

* For movement, refer statement of changes in equity.

16. Non current Provisions

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|---------------------------------|------------------------|------------------------|
| | Rupees | Rupees |
| Provision for employee benefits | | |
| Provision for gratuity | 2,78,946 | 2,09,453 |
| Total | 2,78,946 | 2,09,453 |

17. Non-current tax liabilities (net)

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|----------------------|------------------------|------------------------|
| | Rupees | Rupees |
| Income tax liability | 33,30,244 | 49,95,366 |
| Total | 33,30,244 | 49,95,366 |

18. Current Borrowings

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|---|------------------------|------------------------|
| | Rupees | Rupees |
| Loans repayable on demand | | |
| From Banks : Secured | | |
| Overdraft facilities (Note 18.1) | 0 | 70,75,673 |
| Exports packing credit indian rupee loan (Note 18.2) | 2,51,74,23,854 | 3,20,70,16,588 |
| Debt portion of preference share capital (Note 18.3) - Unsecured Non-Cumulative Redeemable Participating Preference shares of Rs. 10/- each | 0 | 20,00,00,000 |
| Total | 2,51,74,23,854 | 3,41,40,92,261 |

18.1

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.

18.2

Export packing credit indian rupee loan are secured against trade receivables and other current assets of the Company and are repayable within a period of 174 - 262 days from the date of avilment of loan and carries interest rate between 4.00% to 4.40% per annum.

18.3.A: Details of shareholders holding more than 5% of the Preference Shares Capital:

| Name of shareholder | As at 31-03-2020 | | As at 31-03-2019 | |
|-----------------------|-----------------------|--------------|-----------------------|--------------|
| | Number of shares held | % of holding | Number of shares held | % of holding |
| Zaverilal V. Mandalia | 0 | 0.00 | 1800000 | 9.00 |
| Bharat P. Mandalia | 0 | 0.00 | 2500000 | 12.50 |
| Kishor P. Mandalia | 0 | 0.00 | 2500000 | 12.50 |
| Chandresh Z. Mandalia | 0 | 0.00 | 1600000 | 8.00 |
| Vipul Z. Mandalia | 0 | 0.00 | 1600000 | 8.00 |
| Savitri D. Pawani | 0 | 0.00 | 10000000 | 50.00 |

18.3.B: Terms/rights attached to the preference shares:

The Company had issued only one class of preference shares, viz, 2,00,00,000/- 16.5% Cummulative Redeemable Participating Preference Shares (CRPPS) of Rs. 10 each amounting to Rs. 20,00,00,000. A term of dividend of CRPPS had been modified with effect from 01-04-2013 from 16.5% Cummulative to 1.5% Non-Cummulative Redeemable Participating preference shares (NCRPPS).

The Company has fully redeemed 2,00,00,000 shares of Rs.10 each at par amounting to Rs.20,00,00,000/- during the current financial year. The said redemption is done out of the accumulated profits, as per terms of issue.

19. Trade payables

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|---|------------------------|------------------------|
| | Rupees | Rupees |
| Trade payables (Note 32 : due to micro and small enterprises) | | |
| - dues of micro and small enterprises | 0 | 0 |
| - dues of creditors other than micro and small enterprises | 49,82,10,691 | 3,19,64,76,372 |
| Total | 49,82,10,691 | 3,19,64,76,372 |

20. Other current financial liabilities

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|--|------------------------|------------------------|
| | Rupees | Rupees |
| Interest accrued but not due on borrowings | 0 | 81,76,044 |
| Provision for employee benefits | 73,599 | 72,699 |
| Provision for expense | 1,40,000 | 43,710 |
| Others | 1,200 | 16,921 |
| Total | 2,14,799 | 83,09,374 |

21. Other current liabilities

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|----------------|------------------------|------------------------|
| | Rupees | Rupees |
| Statutory dues | 7,12,904 | 10,17,067 |
| Total | 7,12,904 | 10,17,067 |

22. Current tax liabilities (net)

| Particulars | AS AT 31 MARCH 2020 | AS AT 31 MARCH 2019 |
|--|------------------------|------------------------|
| | Rupees | Rupees |
| Provision for Income tax (net of advances) | 1,74,59,115 | 1,77,63,703 |
| Total | 1,74,59,115 | 1,77,63,703 |

23. Revenue from operations

| | Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|-----|---|--------------------------------------|--------------------------------------|
| | | Rupees | Rupees |
| (a) | Sales (Note 23.1) | 10,62,91,53,859 | 4,39,36,68,518 |
| (b) | Other operating revenues (Note 23.1) | 9,79,54,341 | 2,08,87,360 |
| | Total | 10,72,71,08,200 | 4,41,45,55,878 |

23.1

| | Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|-------|---|--------------------------------------|--------------------------------------|
| | | Rupees | Rupees |
| (i) | <u>Sale of Traded goods</u> | | |
| | Shares, Securities & Units of Mutual Funds | 17,76,77,527 | 18,11,72,220 |
| | Total - Sale of traded goods | 17,76,77,527 | 18,11,72,220 |
| (ii) | <u>Sale of Manufactured goods</u> | | |
| | Gold Jewellery | 10,45,14,76,332 | 4,20,32,56,458 |
| | Bullion | 0 | 92,39,840 |
| | Total - Sale of Manufactured goods | 10,45,14,76,332 | 4,21,24,96,298 |
| (iii) | <u>Other operating revenues</u> | | |
| | Profit / (Loss) on Share Speculation (Net) | (1,241) | 3,031 |
| | Freight & Insurance | 38,07,226 | 22,97,290 |
| | Foreign exchange rate difference (net) | 6,07,57,474 | 6,22,59,316 |
| | Profit/(loss) on Derivatives Transactions (Net) | | |
| | Shares & Securities | (2,06,84,796) | 73,53,088 |
| | Commodities | 4,89,027 | (43,71,773) |
| | Currency | 5,35,86,651 | (4,66,53,592) |
| | Total - Other operating revenues | 9,79,54,341 | 2,08,87,360 |

24. Other income

| | Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|--|-----------------------------------|--------------------------------------|--------------------------------------|
| | | Rupees | Rupees |
| | Interest Income | | |
| | From Bank | 7,30,406 | 7,08,725 |
| | From Others | 24,71,57,375 | 6,71,54,194 |
| | From Investment as partner in LLP | 4,86,07,439 | 3,57,80,444 |
| | Dividend Income | 8,82,806 | 11,94,077 |
| | Interest on VAT refund | 16,42,398 | 0 |
| | Misc Income | 18,200 | 3,258 |
| | Profit on sale of investments | 22,73,284 | 0 |
| | Interest on Income tax refund | 99,960 | 0 |
| | Total | 30,14,11,868 | 10,48,40,698 |

25. Cost of Material consumed

| | Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|--|----------------------|--------------------------------------|--------------------------------------|
| | | Rupees | Rupees |
| | Opening stock | 0 | 0 |
| | Add:- Purchases | 10,29,64,28,517 | 4,15,31,19,752 |
| | Less:- Closing stock | 0 | 0 |
| | Total | 10,29,64,28,517 | 4,15,31,19,752 |

26. Purchases of stock-in-trade

| | Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|--|--|--------------------------------------|--------------------------------------|
| | | Rupees | Rupees |
| | Shares, Securities & Units of Mutual Funds | 11,19,78,470 | 14,50,57,080 |
| | Total | 11,19,78,470 | 14,50,57,080 |

27. Changes in inventories of finished goods, stock-in-trade and work in progress

| | Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|--|--|--------------------------------------|--------------------------------------|
| | | Rupees | Rupees |
| | <u>Inventories at the end of the year:</u> | | |
| | Work in progress | 3,123 | 92,131 |
| | Stock-in-trade | 9,31,22,899 | 19,05,21,000 |
| | Finished goods | 18,94,500 | 0 |
| | | 9,50,20,522 | 19,06,13,131 |
| | <u>Inventories at the beginning of the year:</u> | | |
| | Work in progress | 92,131 | 0 |
| | Stock-in-trade | 19,05,21,000 | 22,49,82,378 |
| | Finished goods | 0 | 0 |
| | | 19,06,13,131 | 22,49,82,378 |
| | Net (increase) / decrease | 9,55,92,609 | 3,43,69,247 |

28. Employee benefits expense

| | Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|--|-------------------------------------|--------------------------------------|--------------------------------------|
| | | Rupees | Rupees |
| | Salaries and bonus | 11,04,632 | 10,94,299 |
| | Leave Enchashment | 1,18,462 | 1,22,242 |
| | Provided for gratuity | 51,643 | 60,533 |
| | Contribution towards providend fund | 47,493 | 44,470 |
| | Total | 13,22,230 | 13,21,544 |

29. Finance costs

| | Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|--|-------------------------------------|--------------------------------------|--------------------------------------|
| | | Rupees | Rupees |
| | Interest on packing credit facility | 23,01,46,974 | 3,39,39,123 |
| | Other interest expense | 1,55,40,486 | 1,56,72,626 |
| | Processing charges | 72,43,855 | 0 |
| | Total | 25,29,31,315 | 4,96,11,749 |

30. Other expenses

| Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|--|--------------------------------------|--------------------------------------|
| | Rupees | Rupees |
| Electricity Power | 1,17,940 | 94,070 |
| Insurance | 15,755 | 57,490 |
| Rent | 6,38,800 | 6,31,550 |
| Rates and taxes | 2,400 | 2,400 |
| Stationary, Printing, Postage and Telephone | 4,17,044 | 4,45,205 |
| Legal and professional fees | 8,79,943 | 11,56,963 |
| Payments to auditors (Note 30.1) | 1,50,000 | 1,50,000 |
| Transportation expenses | 40,78,305 | 18,48,073 |
| Shares, Securities and Derivatives transaction charges | 24,85,292 | 19,48,346 |
| Sundry balances W/off | 35,003 | 14,190 |
| Corporate social responsibility expenditure (Note 35) | 2,50,000 | 2,50,000 |
| Directors' sitting fees | 26,000 | 27,000 |
| Repair & maintenance | 0 | 1,05,353 |
| Labour charges | 10,50,000 | 4,50,540 |
| Factory expense | 1,74,299 | 0 |
| Licence fees & Service charges of SEZ unit | 0 | 3,40,306 |
| General Charges (Note 30.2) | 18,49,671 | 12,43,901 |
| Total | 1,21,70,452 | 87,65,387 |

30.1 Payment to Auditors

| Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|----------------|--------------------------------------|--------------------------------------|
| | Rupees | Rupees |
| As auditors :- | | |
| Audit fees | 1,50,000 | 1,50,000 |
| | 1,50,000 | 1,50,000 |

30.2

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

31. Earnings per share

| Particulars | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|--|--------------------------------------|--------------------------------------|
| | Rupees | Rupees |
| Earnings per share | | |
| Profit attributable to the equity shareholders | 17,51,19,210 | 9,96,99,548 |
| 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 | 12.85 | 7.32 |

32. The Company has not received any intimation from “Suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 accordingly the details of amounts outstanding to Micro, Small and Medium Enterprises under the said act based on the available information with the Company are as under:

| Particulars | As at 31-03-2020 | As at 31-03-2019 |
|--|------------------|------------------|
| | Rupees | Rupees |
| Principal amount due and remaining unpaid | 0 | 0 |
| Interest due on (1) above and the unpaid interest | 0 | 0 |
| Interest paid on all delayed payments under the MSMED Act. | 0 | 0 |
| Payment made beyond the appointed day during the year | 0 | 0 |
| Interest due and payable for the period of delay other than (3) above | 0 | 0 |
| Interest accrued and remaining unpaid | 0 | 0 |
| Amount of further interest remaining due and payable in succeeding years | 0 | 0 |

33. Details of future contracts outstanding (open interest)

| Name of script | Position | Number of contracts | |
|--------------------------|----------|---------------------|------------------|
| | | As at 31-03-2020 | As at 31-03-2019 |
| HDFC Bank 30/04/2020 | Long | 7500 | - |
| Indusind Bank 30/04/2020 | Long | 6400 | - |
| NIFTY 28/05/2020 | Short | 109725 | - |
| NIFTY 30/04/2020 | Long | 109725 | - |
| USDINR 27/05/2020 | Short | 11644 | - |
| USDINR 28/04/2020 | Short | 137 | - |
| BALKRISIND 25/04/2019 | Long | - | 4800 |
| BPCL 25/04/2019 | Long | - | 12600 |
| GSFC 25/04/2019 | Long | - | 37600 |
| Hindpetro 25/04/2019 | Long | - | 275100 |
| Hindpetro 30/05/2019 | Short | - | 487200 |
| IDFC 25/04/2019 | Long | - | 105600 |
| IDFCFIRSTB 25/04/2019 | Long | - | 27600 |
| Infibeam 25/04/2019 | Long | - | 100000 |
| MARUTI 25/04/2019 | Long | - | 300 |
| Nationalum 25/04/2019 | Long | - | 88000 |
| PNB 25/04/2019 | Short | - | 1575000 |
| PNB 30/05/2019 | Long | - | 798000 |
| TATAMOTORS 25/04/2019 | Long | - | 12000 |
| TATAMTRDVR 25/04/2019 | Long | - | 22800 |
| TATA STEEL 25/04/2019 | Long | - | 5305 |
| Unionbank 25/04/2019 | Short | - | 994000 |
| Unionbank 30/05/2019 | Long | - | 497000 |
| ZEEL 25/04/2019 | Long | - | 273000 |
| ZEEL 30/05/2019 | Short | - | 136500 |
| Silver 03/05/2019 | Short | - | 2 |
| USDINR 25/04/2019 | Long | - | 26371 |

34. 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 2016-17. 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.

The Company has given corporate guarantee to the Bank against credit facilities granted to its Joint venture i.e. Swadeshi Distributors LLP amounting to Rs.50,00,00,000/-.

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

| | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| a) Gross amount required to be spent by the company during the year | 25,90,478 | 17,81,929 |
| b) Details of amount spent are as under : | | |
| Construction/acquisition of an asset | 0 | 0 |
| On purpose other than above | 2,50,000 | 2,50,000 |
| Total | <u>2,50,000</u> | <u>2,50,000</u> |
| c) Total amount unspent at the end of the year | 23,40,478 | 15,31,929 |

36.
A 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 |
| Kunverji Finance Pvt Ltd. | Nil (3,25,00,000) | 71,35,102 (12,07,60,975) | 71,35,102 (12,07,60,975) |
| Bajaj Finance Ltd. | 1,00,000 (Nil) | 1,00,000 (Nil) | 1,00,000 (Nil) |
| Kunverji Fincorp Pvt Ltd. | 23,50,00,000 (15,10,65,835) | 25,43,27,757 (13,25,65,835) | 25,43,27,757 (10,35,00,000) |
| Swadeshi Distributors LLP | 7,35,75,000 (4,76,75,000) | Nil (54,00,000) | 44,22,27,580 (36,86,52,580) |
| Zaveri & Co. Pvt. Ltd. | 6,23,84,00,000 (2,95,04,00,000) | 9,11,04,00,000 (2,55,00,000) | 3,32,71,40,982 (2,92,49,00,000) |
| Parker Multi Commodities (I) Pvt. Ltd. | Nil (75,00,000) | Nil (75,00,000) | Nil (75,00,000) |
| Kifs Financial Service Ltd | Nil (Nil) | Nil (5,53,87,247) | Nil (5,53,87,247) |

Note: Figures in bracket relates to the previous year

The loan is given to the entities for their business purpose.

B Details of Corporate guarantee given to the bank on behalf of :

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---------------------------|------------------------|------------------------|
| Swadeshi Distributors LLP | 50,00,00,000 | 50,00,00,000 |

The corporate guarantee is given to entity for its business purpose.

37. Deferred tax (liability)/ asset :

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| Tax effect of items constituting deferred tax liability | | |
| On difference between carrying value and tax base of : | | |
| Financial instruments | 19,74,892 | 1,01,83,374 |
| Property, Plant & Equipments | 36,978 | 20,687 |
| | 20,11,870 | 1,02,04,061 |
| Tax effect of items constituting deferred tax asset | | |
| On difference between carrying value and tax base of : | | |
| Provision for employee benefits | 1,02,661 | 98,596 |
| Carried forward depreciation | 0 | 2,33,75,568 |
| Carried forward losses | 0 | 2,05,580 |
| MAT credit entitlement | 11,59,50,281 | 0 |
| | 11,60,52,942 | 2,36,79,744 |
| Deferred tax assets recognised (to the extent of deferred tax liability recognised above) | 20,11,870 | 1,02,04,061 |
| Net deferred tax (liability) / asset | 0 | 0 |

38. Income tax
A. Amount recognised in the Statement of Profit and Loss

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Current income tax | 5,39,93,256 | 2,72,05,822 |
| Less- MAT credit entitlement | 69,88,058 | 0 |
| Net current income tax | 4,70,05,198 | 2,72,05,822 |
| Short /(Excess) provision of income tax of earlier years | 30,05,021 | 0 |
| Deferred tax | 0 | 0 |
| Tax expense recognised in the Statement of Profit and Loss | 5,00,10,219 | 2,72,05,822 |

B. Reconciliation of effective tax rate

| Particulars | | As at 31 March 2020 | | As at 31 March 2019 |
|---|----------------|---------------------|----------------|---------------------|
| Profit before tax | | 22,51,29,429 | | 12,69,05,370 |
| Tax using the Company's domestic tax rate | 29.120% | 6,55,57,690 | 34.944% | 4,43,45,812 |
| Tax effect of : | | | | |
| Tax exempt income | (0.114%) | (2,57,073) | (0.329%) | (4,17,258) |
| Non-deductible expenses | 8.160% | 1,83,70,375 | 0.146% | 1,85,576 |
| Deductible expenses | (0.053%) | (1,19,241) | (0.101%) | (1,27,754) |
| Unabsorb depreciation | (13.223%) | (2,97,68,422) | 0.000% | 0 |
| Capital gain taxed at special rate | 0.093% | 2,09,927 | 0.000% | 0 |
| Difference due to MAT | (3.104%) | (69,88,058) | (13.223%) | (1,67,80,554) |
| Effective tax | 20.879% | 4,70,05,198 | 21.438% | 2,72,05,822 |

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---------------------|--------------------|---------------------|--------------------|
| Add:- Short/(Excess) provision of income tax of earlier years | 1.335% | 30,05,021 | 0.000% | 0 |
| Income tax recognised in Statement of Profit and Loss | 22.214% | 5,00,10,219 | 21.438% | 2,72,05,822 |

C. Income tax asset/(liability)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|---------------------|---------------------|
| Income tax asset | 3,12,06,007 | 1,11,01,419 |
| Income tax liability | -5,19,95,366 | -3,38,60,488 |
| Tax recoverable | 30,14,664 | 38,38,101 |
| Net income tax asset/(liability) | -1,77,74,695 | -1,89,20,968 |

39.
Disclosures as required by IND AS - 19 "Employee benefits"
Defined Benefit Plan :

The company has a defined benefit gratuity plan in India. Gratuity plan is unfunded. The Company's defined benefit gratuity plan is a final salary plan for employees. Gratuity is paid from company as and when it becomes due and is paid as per company scheme for gratuity.

The Company has recognised in the Statement of Profit and Loss for the current year, an amount of Rs.51643/- (previous year - Rs.60533/-) as expenses.

Reconciliation of present value of the defined benefit obligation

| Particulars | Year ended 31 March, 2020 | Year ended 31 March, 2019 |
|---|---------------------------|---------------------------|
| | Gratuity | Gratuity |
| Obligation at the beginning of the year | 2,09,453 | 3,03,634 |
| Current service cost | 35,327 | 36,667 |
| Interest cost | 16,316 | 23,866 |
| Benefits directly paid by the Employer | - | (1,81,731) |
| Actuarial losses/(gains) recognised in other comprehensive income | | |
| -Change in demographic assumptions | - | - |
| -Change in Financial assumptions | 30,404 | 1,705 |
| -Experience variance | (12,555) | 25,312 |
| Obligation at the end of the year | 2,78,945 | 2,09,453 |

Reconciliation of fair value of plan assets

| Particulars | Year ended 31 March, 2020 | Year ended 31 March, 2019 |
|--|---------------------------|---------------------------|
| | Gratuity | Gratuity |
| Fair value of plan assets at the beginning of the year | - | - |
| Expected return on plan assets | - | - |
| Actuarial gain /(loss) | - | - |
| benefits paid | - | - |
| Fair value of plan assets at the end of the year | - | - |

Reconciliation of Net Assets(liability) recognized in the Balance Sheet:

| Particulars | Year ended 31 March, 2020 | Year ended 31 March, 2019 |
|--|------------------------------|------------------------------|
| | Gratuity | Gratuity |
| Present value of the defined benefit obligation at the end of the year | (2,78,945) | (2,09,453) |
| Fair value of plan assets at the end of the year | - | - |
| Amount recognised in the Balance sheet : assets/(Liability) | (2,78,945) | (2,09,453) |

Expenses recognized in the Statement of Profit and Loss for the year:

| Particulars | Year ended 31 March, 2020 | Year ended 31 March, 2019 |
|--|------------------------------|------------------------------|
| | Gratuity | Gratuity |
| Current service cost | 35,327 | 36,667 |
| Interest cost | 16,316 | 23,866 |
| Past service cost | - | - |
| Interest income | - | - |
| Total expense recognised in the Statement of Profit and Loss | 51,643 | 60,533 |

Recognized in the other comprehensive income for the year:

| Particulars | Year ended 31 March, 2020 | Year ended 31 March, 2019 |
|---|------------------------------|------------------------------|
| | Gratuity | Gratuity |
| Actuarial losses/(gains) recognised in other comprehensive income | | |
| -Change in demographic assumptions | - | - |
| -Change in Financial assumptions | 30,404 | 1,705 |
| -Experience variance | (12,555) | 25,312 |
| Recognised in the other comprehensive income | 17,849 | 27,017 |

Actuarial assumptions

| Particulars | Year ended 31 March, 2020 | Year ended 31 March, 2019 |
|---|--|--|
| | Gratuity | Gratuity |
| Discount rate | 6.82% | 7.79% |
| Salary growth | 6.00% | 6.00% |
| Mortality | Indian Assured Lives Mortality(2006-08) | Indian Assured Lives Mortality(2006-08) |
| Attrition rate | 2.00% | 2.00% |
| Weighted Average Duration of the defined benefit obligation | 14 years | 14 years |

The estimates of rate of escalation in salary considered in the actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

Sensitivity Analysis

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

| Particulars | As at 31 March, 2020 | | As at 31 March, 2019 | |
|--|----------------------|----------|----------------------|----------|
| | Decrease | Increase | Decrease | Increase |
| Change in Discount rate (delta effect of +/-1%) | 36522 | (31275) | 26379 | (22794) |
| Change in Salary growth rate (delta effect of +/-1%) | (31776) | 36456 | (23356) | 26589 |
| Change in Attrition rate (delta effect of +/-1%) | (1677) | 1431 | (4096) | 3724 |

Gratuity is a defined benefit plan and company is exposed to the Following risks :

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

Salary risk : The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk : The plan faces the ALM risk as to the matching cash flow. Company has to manage payout based on pay as you go basis from own funds.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

The expected cash flows of defined benefit obligation over the future periods (valued on undiscounted bases)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|---------------------|---------------------|
| | Gratuity | Gratuity |
| Within the next 12 months from the end of the reporting period | 6,558 | 5,865 |
| Between 2 and 5 years | 30,394 | 26,572 |
| Between 6 and 10 years | 50,733 | 42,195 |
| Beyond 10 years | 6,19,844 | 5,00,196 |
| Total expected payments | 7,07,529 | 5,74,828 |

40. Related Party Disclosures:-
40.1 Details of Related Parties

| Description of relationship | Names of related parties |
|---|--|
| Enterprises in which KMP / Relatives of KMP are having control or significant influence | Zaveri & Co. Pvt. Ltd. Zaveri Enterprise Pvt. Ltd. Zaveri Finstock Pvt. Ltd. Zaveri & Co Jewellers Pvt. Ltd. Zaveri Comtrade Pvt. Ltd. (upto 01-09-2019) Sarabai Enterprises Pvt. Ltd. Chokshi Estate Pvt. Ltd. Priyal Projects Pvt. Ltd. (upto 16-03-2020) Priyal International Pvt Ltd Euro Solar Power Pvt Ltd Madhav Solar Pvt Ltd S J Green Park Energy Pvt Ltd. Zaveri & Co Exports. Zaveri Foundation 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 Zaveri Realty LLP Ananta Exim LLP Vrundavan Garden LLP Atit Infrastructure LLP Amazo Infraspace LLP Myspace Infracon LLP Aaron Infraspace LLP S K Z Developers LLP Delectable Foods LLP Safal Homes LLP Abhijit Workspace LLP Amazo Infralink LLP Zaveri Comtrade LLP (w.e.f. 02-09-2019) Priyal Projects LLP (w.e.f.17-03-2020) Panchratna Infrastructure LLP |

| Description of relationship | Names of related parties |
|---|---|
| Joint venture in which the Company is a partner | Swadeshi Distributors LLP Amazo Waste Management Solution LLP IGR Ausom LLP Bsafal.KZ Estate LLP |
| Relatives of Key Management Personnel | Bharat Mandalia Chandresh Mandalia |
| Key Management Personnel (KMP)* | Shri Kishor Mandalia - Managing Director & CEO Shri Zaverilal Mandalia - Non-executive Director Shri Vipul Mandalia - Non-executive Director Shri Ghanshyam Akbari - Non-executive Director Shri Hitesh Adeshara - Non-executive Director Smt. Nirupama Vaghjiani - Non-executive Director |

* Non-Executive Directors are disclosed as Key Management Personnel as per the requirement of Ind AS 24. However, they are not Key Management Personnel as per Companies Act, 2013.

40.2 Transactions during the year with related parties.

| Sr. No. | Nature of Transactions | KMP | Joint venture in which the Company is a partner | Entities in which Key Management Personnel & their relatives having control or significant influence | Relatives of KMP | Total |
|---------|------------------------|------------------|---|--|------------------|----------------------------|
| 1 | Purchase of goods | NIL (NIL) | NIL (NIL) | 1992942 (1710318) | NIL (NIL) | 1992942 (1710318) |
| 2 | Sale of goods | NIL (NIL) | NIL (NIL) | 0 (6220000) | NIL (NIL) | 0 (6220000) |
| 3 | Loans taken from | NIL (NIL) | NIL (NIL) | NIL (14000000) | NIL (NIL) | NIL (14000000) |
| 4 | Loans repaid to | NIL (NIL) | NIL (NIL) | NIL (14000000) | NIL (NIL) | NIL (14000000) |
| 5 | Loans given | NIL (NIL) | 73575000 (47675000) | 6238400000 (2950400000) | NIL (NIL) | 6311975000 (2998075000) |
| 6 | Loans received back | NIL (NIL) | NIL (5400000) | 9110400000 (25500000) | NIL (NIL) | 9110400000 (30900000) |
| 7 | Brokerage paid | NIL (NIL) | NIL (NIL) | 402630 (154333) | NIL (NIL) | 402630 (154333) |
| 8 | Rent paid | NIL (NIL) | NIL (NIL) | 118800 (281550) | NIL (NIL) | 118800 (281550) |
| 9 | Interest received | NIL (NIL) | 96814217 (72117780) | 198381331 (16267758) | NIL (NIL) | 295195548 (88385538) |
| 10 | Sitting fees | 26000 (27000) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 26000 (27000) |
| 11 | Reimbursement given to | 6600 (10800) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 6600 (10800) |

| | | | | | | |
|----|---|-------------------|--------------------------|---------------------------|-------------------|---------------------------|
| 12 | Capital Contribution (net) | NIL (NIL) | 22369025 (175108000) | NIL (NIL) | NIL (NIL) | 22369025 (175108000) |
| 13 | Share of Loss from LLP | NIL (NIL) | 32823048 (194421) | NIL (NIL) | NIL (NIL) | 32823048 (194421) |
| 14 | Purchase of Property, plant & Equipment | NIL (NIL) | NIL (NIL) | NIL (1455683) | NIL (NIL) | NIL (1455683) |
| 15 | Redemption of preference share capital | 59000000 (NIL) | NIL (NIL) | NIL (NIL) | 41000000 (NIL) | 100000000 (NIL) |
| 16 | Balances outstanding at the end of the year Loans & Advances receivable | NIL (NIL) | 490434357 (368652580) | 246084180 (2939540982) | NIL (NIL) | 736518537 (3308193562) |
| | Trade payables | NIL (NIL) | NIL (NIL) | NIL (310846) | NIL (NIL) | NIL (310846) |
| | Trade receivables | NIL (NIL) | NIL (NIL) | 3803535 (2276436) | NIL (NIL) | 3803535 (2276436) |

Note: Figures in bracket relates to the previous year

41. Financial Instruments

a) The carrying value and fair value of financial instruments by categories at 31 March 2020 and 31 March 2019 is as follows :

(Amount in Rupees)

| Particulars | Carrying value | | Fair value | |
|--------------------------------------|------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 | As at 31 March 2020 | As at 31 March 2019 |
| Financial assets | | | | |
| At Fair value through profit or loss | | | | |
| Investment | 52,07,89,861 | 49,53,57,302 | 52,07,89,861 | 49,53,57,302 |
| At Amortised cost | | | | |
| Trade Receivables | 2,51,67,22,207 | 3,19,93,95,713 | 2,51,67,22,207 | 3,19,93,95,713 |
| Cash and Bank balances | 1,85,85,224 | 1,32,73,860 | 1,85,85,224 | 1,32,73,860 |
| Loans | 50,97,68,562 | 3,27,57,15,244 | 50,97,68,562 | 3,27,57,15,244 |
| Other non current financial assets | 2,84,775 | 3,84,775 | 2,84,775 | 3,84,775 |
| Other current financial assets | 31,20,06,405 | 18,64,61,967 | 31,20,06,405 | 18,64,61,967 |
| Total assets | 3,87,81,57,034 | 7,17,05,88,861 | 3,87,81,57,034 | 7,17,05,88,861 |
| Financial liabilities | | | | |
| At Amortised cost | | | | |
| Current Borrowings | 2,51,74,23,854 | 3,41,40,92,261 | 2,51,74,23,854 | 3,41,40,92,261 |
| Trade payables | 49,82,10,691 | 3,19,64,76,372 | 49,82,10,691 | 3,19,64,76,372 |
| Other current financial liabilities | 2,14,799 | 83,09,374 | 2,14,799 | 83,09,374 |
| Total liabilities | 3,01,58,49,344 | 6,61,88,78,007 | 3,01,58,49,344 | 6,61,88,78,007 |

b) Fair value measurement :

Level 1 : Quoted price in active markets for identical assets or liabilities

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly

Level 3 : Inputs for the assets or liabilities that are not based on observable market data (unobservable data)

Following table presents the Fair value measurement hierarchy for financial assets and financial liabilities :

| Particulars | As at | Total | Level 1 | Level 2 | Level 3 |
|--------------------------------------|---------------|--------------|---------|---------|--------------|
| Financial assets | | | | | |
| At Fair value through profit or loss | | | | | |
| Investment | 31 March 2020 | 52,07,89,861 | 0 | 0 | 52,07,89,861 |
| | 31 March 2019 | 49,53,57,302 | 0 | 0 | 49,53,57,302 |
| | | | | | |

c) Fair valuation method

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

d) Financial Instrument measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

42. Financial risk management

The Company has exposure to the following risks arising from financial instruments :

- Credit risk
- Liquidity risk
- Interest rate risk

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate controls and to monitor risks and adherence to controls. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instruments fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, dealing in derivatives, loans and current assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The carrying amount of financial asset represent the maximum credit exposure.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by its customers. However, the management also considers the factors that may influence the credit risk of its customer base.

The Company limits its exposure to credit risk with counter-parties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties and hence no loss allowance is recognised.

ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's objective is to maintain a balance between cash outflow and inflow. Usually, the excess of funds is invested in fixed deposits. This is generally carried out in accordance with practice and limits set by the Company.

The working capital position of the Company is given below :

| Particulars | As at | |
|--------------------------|------------------|------------------|
| | 31/03/2020 | 31/03/2019 |
| Cash and cash equivalent | 84,85,224 | 33,73,860 |
| Total | 84,85,224 | 33,73,860 |

The table below provides details regarding the contractual maturities of significant financial liabilities :

| Particulars | As at | Less than 1 year | Above 1 year |
|-----------------------------|------------|------------------|--------------|
| Borrowing | 31/03/2020 | 2,51,74,23,854 | 0 |
| | 31/03/2019 | 3,41,40,92,261 | 0 |
| Trade payable | 31/03/2020 | 49,82,10,691 | 0 |
| | 31/03/2019 | 3,19,64,76,372 | 0 |
| Other financial liabilities | 31/03/2020 | 2,14,799 | 0 |
| | 31/03/2019 | 83,09,374 | 0 |

iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates and investments.

43 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The company monitors capital using gearing ratio, which is as follows:

| Particulars | As at | |
|--|----------------|----------------|
| | 31/03/2020 | 31/03/2019 |
| Total equity attributable to the equity shareholders | 96,48,08,694 | 78,97,02,135 |
| Gross Debt | 2,51,74,23,854 | 3,41,40,92,261 |
| Less: Cash and cash equivalent | 84,85,224 | 33,73,860 |
| Net Debt | 2,50,89,38,630 | 3,41,07,18,401 |
| Net gearing ratio (Debt/ Equity) | 2.60 | 4.32 |

44 Current year share of loss arising from the joint venture i.e. Bsafal.kz Estate LLP is recognized on the basis of its Un-audited Financial Statements. The difference between audited financial statements where ever applicable, and amount accounted for will be adjusted in the subsequent year.

45 Investment in Joint Venture
A. Swadeshi Distributors LLP

The Company has a 80% interest in Swadeshi Distributors LLP ("the LLP"), a joint venture involved in the generation and distribution of electrical power through hydro power plant in India. The Company's interest in the LLP is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Summarised balance sheet :

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Non-current assets | 1,06,04,26,736 | 98,83,00,443 |
| Current assets including cash & cash equivalent of Rs. 44,07,952/- (31-03-2019: Rs. 39,33,905/-) | 5,42,93,589 | 1,31,32,883 |
| Non-current liabilities including borrowing of Rs. 24,53,64,976/- (31-03-2019: Rs. 23,89,23,488/-) | (24,64,82,450) | (25,82,28,238) |
| Current liabilities including borrowing of Rs. 49,04,34,357/- (31-03-2019: Rs. 36,86,52,580/-) and tax payable of Rs. 2,70,000/- (31-03-2019: Rs. 2,70,000/-) | (49,12,11,463) | (36,92,95,849) |
| Equity | 37,70,26,412 | 37,39,09,239 |
| Proportion of the Company's ownership | 80% | 80% |
| Carrying amount of the investment | 30,16,21,130 | 29,91,27,391 |

Summarised statement of profit and loss :

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|--|--|
| Revenue | 81,06,477 | 0 |
| Other income | 3,52,643 | 3,18,577 |
| Purchase | 19,607 | 0 |
| Finance cost | 3,74,48,041 | 0 |
| Employee benefits expense | 17,97,688 | 0 |
| Depreciation | 76,10,803 | 0 |
| Other expense | 20,95,339 | 1,83,200 |
| Profit before tax | (4,05,12,358) | 1,35,377 |
| Income tax expense | 0 | 1,00,000 |
| Profit / (Loss) for the year | (4,05,12,358) | 35,377 |
| Total comprehensive income for the year (continuing operations) | (4,05,12,358) | 35,377 |
| Share of profit / (loss) for the year | (3,24,09,886) | 28,302 |

The Company has given corporate guarantee to the Bank against credit facilities granted to LLP amounting to Rs.50,00,00,000/-. The joint venture has no other contingent liabilities or capital commitments as at 31 March 2020 & 31 March 2019. The LLP has distributed its profit/loss at year end.

B. Amazo Waste Management Solution LLP

The Company has a 80% interest in Amazo Waste Management Solution LLP ("the LLP"), a joint venture involved in the collection, segregation, transportation, trading, processing, composting, recycling, treatment and disposal of all types of waste and to develop, construct, operate and maintain or manage processing facilities for all types of waste and waste products. The Company's interest in the LLP is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Summarised balance sheet :

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Non-current assets | 2,07,72,899 | 2,13,24,004 |
| Current assets including cash & cash equivalent of Rs. 3,33,530/- (31-03-2019- Rs. 4,13,396/-) | 35,56,290 | 38,98,938 |
| Current liabilities including borrowing of Rs. 19,95,404/- (31-03-2019-Rs. 19,95,404/-) | (1,42,91,014) | (1,50,95,301) |
| Equity | 1,00,38,175 | 1,01,27,641 |
| Proportion of the Company's ownership | 80% | 80% |
| Carrying amount of the investment | 80,30,540 | 81,02,113 |

Summarised statement of profit and loss :

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|--|--|
| Revenue | 0 | 0 |
| Other income | 0 | 0 |
| Other expense | 3,52,030 | 2,69,379 |
| Profit before tax | (3,52,030) | (2,69,379) |
| Income tax expense | 0 | 0 |
| Profit / (Loss) for the year | (3,52,030) | (2,69,379) |
| Total comprehensive income for the year (continuing operations) | (3,52,030) | (2,69,379) |
| Share of profit / (loss) for the year | (2,81,624) | (2,15,503) |

The Company has no contingent liabilities or capital commitments relating to its interest in the LLP as at 31 March 2020 & 31 March 2019. The joint venture has no other contingent liabilities or capital commitments as at 31 March 2020 & 31 March 2019. The LLP has distributed its loss at year end.

C. Bsafal.KZ Estate LLP

The Company has a 8% interest in Bsafal KZ Estate LLP ("the LLP"), a joint venture involved in the construction and development of residential and commercial property. The Company's interest in the LLP is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Summarised balance sheet :

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---------------------------------------|------------------------|------------------------|
| Non-current Investment | 2,51,13,07,776 | 2,09,26,05,479 |
| Cash & Bank balances | 2,611 | 34,850 |
| Current liabilities | (22,300) | (25,000) |
| Equity | 2,51,12,88,087 | 2,09,26,15,329 |
| Proportion of the Company's ownership | 8% | 8% |
| Carrying amount of the investment | 20,09,03,047 | 16,74,09,226 |

Summarised statement of profit and loss :

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|--|--|
| Revenue | 0 | 0 |
| Other income | 13,81,43,048 | 3,26,05,479 |
| Other expense | 13,88,68,978 | 3,26,95,729 |
| Profit before tax | (7,25,930) | (90,250) |
| Income tax expense | 0 | 0 |
| Profit / (Loss) for the year | (7,25,930) | (90,250) |
| Total comprehensive income for the year (continuing operations) | (7,25,930) | (90,250) |
| Share of profit / (loss) for the year | (58,074) | (7,220) |

The Company has no contingent liabilities or capital commitments relating to its interest in the LLP as at 31 March 2020 & 31 March 2019. The joint venture has no other contingent liabilities or capital commitments as at 31 March 2020 & 31 March 2019. The LLP has distributed its loss at year end.

D. IGR Ausom LLP

In the current financial year, the Company has acquired 50% interest in IGR Ausom LLP ("the LLP"), a joint venture involved in the refining gold / silver dore bars, old gold and silver, scrap of precious metals etc. and sale of finished products in domestic and international market. The Company's interest in the LLP is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Summarised balance sheet :

| Particulars | As at 31 March 2020 |
|---------------------------------------|--------------------------------|
| Loan and advances | 3,600 |
| Cash & Bank Balances | 1,34,017 |
| Current liabilities | (2,872) |
| Equity | 1,34,745 |
| Proportion of the Company's ownership | 50% |
| Carrying amount of the investment | 67,373 |

Summarised statement of profit and loss :

| Particulars | For the year ended 31 March 2020 |
|--|---|
| Revenue | 0 |
| Other income | 0 |
| Other expense | 75,255 |
| Profit before tax | (75,255) |
| Income tax expense | 0 |
| Profit / (Loss) for the year | (75,255) |
| Total comprehensive income for the year (continuing operations) | (75,255) |
| Share of profit / (loss) for the year | (37,628) |

The Company has no contingent liabilities or capital commitments relating to its interest in the LLP as at 31 March 2020. The joint venture has no other contingent liabilities or capital commitments as at 31 March 2020. The LLP has distributed its loss at year end.

46. Additional information as required by Paragraph 2 of the General instructions for preparation of Consolidated Financial Statements to the Schedule III to the Companies Act, 2013.

(Amount in Rupees)

| Name of the entity | Share of net assets as at 31 March 2020 | | Share in profit and loss for the year ended 31 March 2020 | | Share in other comprehensive income for the year ended 31 March 2020 | | Share in total comprehensive income for the year ended 31 March 2020 | |
|--|---|-----------------------|---|---------------------|--|----------------|--|----------------------|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of total comprehensive income | Amount |
| Ausom Enterprise Limited | 24.97% | 96,48,08,694 | 123.04% | 17,51,19,210 | 100% | (12,651) | 0.34% | (1,10,527) |
| Joint venture (Investment as per the equity method) | | | | | | | | |
| Swadeshi Distributors LLP | 9.76% | 37,70,26,412 | (22.77%) | (3,24,09,886) | 0% | 0 | 98.52% | (3,24,09,886) |
| Amazo Waste Management Solution LLP | 0.26% | 1,00,38,175 | (0.20%) | (2,81,624) | 0% | 0 | 0.86% | (2,81,624) |
| Bsafal.KZ Estate LLP | 65.00% | 2,51,12,88,087 | (0.04%) | (58,074) | 0% | 0 | 0.18% | (58,074) |
| IGR Ausom LLP | 0.00% | 1,34,745 | (0.03%) | (37,628) | 0% | 0 | 0.11% | (37,628) |
| Total | 100% | 3,86,32,96,113 | 100% | 14,23,31,998 | 100% | -12,651 | 100% | (3,28,97,739) |



AuSom Enterprise Limited

REGISTERED OFFICE :

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