

<b>CHAIRMAN</b>	:	MR. ZAVERILAL V. MANDALIA
<b>MANAGING DIRECTOR &amp; CHIEF EXECUTIVE OFFICER</b>	:	MR. KISHOR P. MANDALIA
<b>DIRECTORS</b>	:	MR. HITESH ADESHARA MR. MUKESH ADESHARA MR. VIPUL MANDALIA MR. GHANSHYAMBHAI AKBARI (from 10-06-2010) MR. KIRTAN SONI (up to 10-06-2010)
<b>COMPANY SECRETARY &amp; COMPLIANCE OFFICER</b>		MR. ASHISH TRIPATHI (up to 07-07-2011)
<b>CHIEF FINANCIAL OFFICER (CFO)</b>	:	MR. RUPESH SHAH
<b>AUDITORS</b>	:	M/S. C. R. SHAREDALAL & CO. CHARTERED ACCOUNTANTS AHMEDABAD
<b>BANKERS</b>	:	AXIS BANK LIMITED ALLAHABAD BANK HDFC BANK LIMITED INDUSIND BANK LIMITED
<b>REGISTERED OFFICE</b>	:	11-B, NEW AHMEDABAD INDUSTRIAL ESTATE, SARKHEJ-BAVLA ROAD, VILLAGE – MORAIYA-382 213 DIST.:- AHMEDABAD. GUJARAT.
<b>CORPORATE OFFICE</b>	:	606, SWAGAT BUILDING Nr. LAL BUNGLOW, C.G. ROAD AHMEDABAD - 380006

<b>CONTENTS</b>	
Notice	3
Directors' Report	4-6
Management Discussion and Analysis Report	7-8
Report on Corporate Governance	9-19
Auditors' Report	20-24
Balance Sheet	26
Profit & Loss Account	27
Cash Flow Statement	28
Schedules to Accounts	29-43
Balance Sheet Abstract	44

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

THE FOLLOWING INDIVIDUALS / PERSONS CONSTITUTING GROUP (As defined in MRTP Act, 1969), ARE SHOWN AS GROUP WHICH EXERCISES OR 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 ACTION IN CONCERT

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**NOTICE**

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**NOTICE** is hereby given that the Twenty-Seventh Annual General Meeting of the Members of **M/s. AUSOM ENTERPRISE LIMITED** will be held on Thursday, the 29<sup>th</sup> day of September, 2011 at 10.30 a.m. at the Registered Office of the company situated at 11-B, New Ahmedabad Industrial Estate, Village- Moraiya, Sarkhej-Bavla Road, Moraiya-382 213. Dist.-Ahmedabad to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2011 and Profit & Loss Account for the year ended on that date and the report of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Zaverilal Mandalia who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Vipul Mandalia, who retires by rotation and being eligible, offers himself for re-appointment.
4. To Re-appoint Auditors and fix their remuneration.

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY INSTEAD OF HIMSELF TO ATTEND AND VOTE AT THE MEETING. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY MUST BE LODGED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME AT, WHICH THE MEETING IS SCHEDULED TO BE HELD. THE PROXY FORM IS ATTACHED HEREWITH.
2. The Register of Members and Share Transfer Books shall remain closed from Monday, the 26<sup>th</sup> September, 2011 to Thursday the 29<sup>th</sup> September, 2011 (both days inclusive).
3. Members are advised to avail Nomination facility as well as Dematerialisation facility.
4. The company has appointed M/s. Link Intime India Private Limited (Formerly known as Intime Spectrum Registry Limited), 211, Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad – 380 009 as Registrar and Transfer (R & T) Agent for carry out work relating to transfer as well as dematerialisation of shares. The members/ investors, having any query in this regards be communicated to this agency at the address mentioned above.
5. 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.

**Registered Office:**

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

Place: Ahmedabad  
Date: - 30th May, 2011

By Order of the Board of Directors

**ASHISH TRIPATHI**  
Company Secretary

**DIRECTORS' REPORT**


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To,  
The Members of the Company,

Your directors have pleasure in presenting the Twenty-Seventh Annual Report of your Company together with the Audited Accounts for the year ended on 31<sup>st</sup> March, 2011.

**FINANCIAL RESULTS**

(Rs. in lacs)

	<b>Year ended on 31/03/2011</b>	Year ended on 31/03/2010
Gross Sales	<b>104200.82</b>	14337.25
Expenditure	<b>102558.35</b>	14313.52
Profit after interest from the operation	<b>753.05</b>	23.72
Profit/(Loss) after depreciation	<b>752.86</b>	23.66
Profit Carry to Reserves	<b>NIL</b>	NIL

**DIVIDEND**

The Board has decided to plough back the profit generated during the year for the development of the business and hence could not recommend the dividend for the year under consideration and regret for the same.

**OPERATIONS**

The Company, in the year under consideration, has carried out activity in the field of trading of Gold, Silver, Diamonds, Bullions, Shares and Securities & Units of Mutual Funds. The Company has achieved a turnover of Rs. 1042.00 Cr. as against Rs.143.37 Cr. for the previous year. It means that the turnover of the company has been increased by 626.79%. Similarly, the Company in the second consecutive year has generated profit amounting to Rs. 752.86 Lacs. (PBT).

As you all know that the manufacturing activity has been discontinued by the company, after demerger of its manufacturing division.

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 be definitely achieved and necessary resources for the same has also been finalised.

**DEMATERIALISATION OF SHARES**

As on 31-03-2011, 12610148 Equity Shares have been dematerialised, out of which 11913477 Equity Shares dematerialised with National Securities Depository Limited (NSDL) and 696671 Equity Shares with Central Depository Services (India) Limited (CDSL). It means 92.56 % of total shares have been Dematerialised.

International Security Identification Number (ISIN) of the company's equity shares is **INE218C01016**.

## **DIRECTORS**

During the year under review Mr. Zaverilal Mandalia and Mr. Vipul Mandalia retire by rotation and being eligible, offer themselves for reappointment.

The details about the education qualification, experience, nature of work etc. of each such directors mentioned in the Corporate Governance forming part of this report

You are therefore requested to accord your consent for their re-appointment as director of the company.

## **FIXED DEPOSITS**

During the year under review, Company has not accepted and/or renewed any Deposits as provided under Section 58A of the Companies Act, 1956, read with Companies (Acceptance of Deposits) Rule, 1975. There is no unclaimed or overdue Fixed Deposits.

## **AUDITORS**

The auditors, M/s. C. R. Sharedalal & Company, Chartered Accountants, Ahmedabad retire at the ensuing Annual General Meeting and are eligible for re-appointment. They have also consented to act as Auditors of the Company.

## **AUDITORS' REPORT**

The auditors of the Company have not given any adverse remark in their Report and hence explanation of the Board is not required.

## **AUDIT COMMITTEE**

During the year, the Audit Committee meetings were conducted as per the requirements of Listing Agreement with the Stock Exchanges. The details about the Role, Power of the committee enumerated in the Corporate Governance Report forming part of this report.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors state that:

- I) In the preparation of annual accounts for the year ended March 31, 2011, the applicable accounting standards have been followed and that no material departures have been made from the same;
- II) 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 31<sup>st</sup> March, 2011 and of the profit or loss of the Company for that year.
- III) 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;
- IV) The Directors had prepared the annual accounts on a going concern basis.

**CORPORATE GOVERNANCE**

In pursuance to Clause 49, as amended from time to time, of the Listing Agreement with the Stock Exchanges, the Corporate Governance Report and Management Discussion and Analysis Report are given elsewhere and forming part of this Report.

**PERSONNEL**

None of the employee of the company is in receipt of annual remuneration of Rs. 24.00 lacs p.a. or Rs. 2.00 lacs per month, a limit as prescribed under Companies (Particulars of Employees) Rule, 1975 and hence information as required under section 217(2AA) read with Companies (Particulars of Employees) Rule, 1975 is not applicable.

**MATTER REQUIRED TO BE REPORTED AS PER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULE, 1988**

The information in respect of Conservation of Energy, Technology absorption etc. is not applicable to this Company mainly due to reason that the Company is engaged in only Trading Activities.

**FOREIGN EXCHANGE EARNING AND OUTGO:**

During the year under consideration, the company has earned foreign exchange amounting to Rs. 918.62 cr. by way of direct exports (Previous year Rs. Nil) and has spent Rs. 914.36 cr. (Previous year Rs. Nil) on purchase of commodities and Rs. 8.49 cr. towards interest.

**ACKNOWLEDGEMENTS**

The Directors would like to thanks bankers namely Axis Bank Ltd., HDFC Bank Ltd., Allahabad Bank., and IndusInd Bank Ltd. for providing support to your company. The Directors also further acknowledged the support received from employees, customers, shareholders and other government agencies.

**For and on behalf of the Board of Directors**

Place: Ahmedabad  
Date: 30/05/2011

**Kishor Mandalia**  
Managing Director

**Vipul Mandalia**  
Director

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**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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**(A) INDUSTRY STRUCTURE AND DEVELOPMENT:**

Since last two years, after demerger, the Company is now only engaged in trading of Bullions, precious metals, commodities etc. The trading industries being very ancient in its nature hence well organized in all respect, Even the exchanges for such trading activities has been established during last decade so as to make the trading in more organized and transparent manner.

**(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.

- The identification of new segment (trading activities) has performed very well 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 only engaged in trading activity, hence segment wise performance is not required. The activities, which the company has started from last two years emerging a very potential, growing and profitable. In the current year also, it has shown good turnover and good profit.

**(D) OUTLOOK**

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

**(E) RISK AND CONCERNS**

- The trading business is a new line of business for the company.
- There may be volatility and ups & down in the trading market.

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

Your 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**

During the current year the company has generated revenue of Rs.1042.00 Cr. from trading activity with a profit of Rs.7.53 cr.

**(H) HUMAN RESOURCES/IR**

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 Resources activities. These activities have helped to retain and motivate employees of the company.

**(I) CAUTIONARY STATEMENT**

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



## REPORT ON CORPORATE GOVERNANCE

### A. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

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

### B. BOARD OF DIRECTORS

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

#### Composition and Category of Board of Directors

Presently, the Company has 6 (Six) Directors. The Board comprises of one Executive Director and five Non-Executive Directors.

S. N	Name of Directors	Category of Directorship	Directors interse relationship, if any	No. of other Directorship/Firm	No. of Committee positions held in other Public Company		No. of Share/ (%)
					Chairman	Member	
1	Mr. Zaverilal Mandalia	Promoter/Non-Executive Director	Relative of Mr. Kishor Mandalia and Mr. Vipul Mandalia	7	NIL	NIL	804547/(5.9056)
2	Mr. Kishor Mandalia	Promoter/ Executive Director	Relative of Mr. Zaverilal Mandalia and Mr. Vipul Mandalia	14	NIL	NIL	1189102/(8.7282)
3	Mr. Vipul Mandalia	Promoter/Non-Executive Director	Relative of Mr. Zaverilal Mandalia and Mr. Kishor Mandalia	06	NIL	NIL	836420/(6.14)
4	Mr. Hitesh Adeshara	Non Executive / Independent Director	Relative of Mr. Mukesh Adeshara	NIL	NIL	NIL	NIL
5	Mr. Mukesh Adeshara	Non Executive / Independent Director	Relative of Mr. Hitesh Adeshara	NIL	NIL	NIL	NIL
6	Mr. Ghanshyambhai Akbari	Non Executive / Independent Director	Not Applicable	01	NIL	NIL	NIL

#### No. of Board Meetings held during 01-04-2010 to 31-03-2011

During the financial year, Board of Directors met 08 (eight) times. The dates of Board Meetings are: -

- (1). 28-04-2010
- (2). 29-05-2010
- (3). 10-06-2010
- (4). 17-06-2010
- (5). 09-08-2010
- (6). 03-11-2010
- (7). 05-02-2011
- (8). 15-03-2011

**Attendance of Directors:**

Directors	Board Meeting Attended	Last Annual General Meeting Attended
Mr. Zaverilal Mandalia	08/08	Yes
Mr. Kishor Mandalia	08/08	Yes
Mr. Vipul Mandalia	07/08	Yes
Mr. Kirtan Soni \$	03/08	Yes
Mr. Hitesh Adeshara	08/08	Yes
Mr. Mukesh Adeshara	07/08	Yes
Mr. Ghanshyambhai Akbari #	05/08	No

# Appointed as director with effect from 10<sup>th</sup> June 2010.

\$ Ceased from directorship with effect from 10<sup>th</sup> June 2010.

**PARTICULARS OF DIRECTORS RETIRING BY ROTATION AND BEING REAPPOINTED.**
**MR. ZAVERILAL MANDALIA**

Mr. Zaverilal Mandalia is under graduate and having total experience of 43 years in the field of Jewellery business. He is holding 804547 equity shares of the company and holding directorship in 7 (seven) private limited companies such as Zaveri & Co. Pvt. Ltd., Zaveri Finstock Pvt. Ltd., Zaveri & Co. Jewellers Pvt. Ltd., Zaveri Enterprise Pvt. Ltd., Panchratna Infrastructure Pvt. Ltd., Zaveri Realty Pvt. Ltd., Sarabai Enterprises Pvt. Ltd. He is not holding any membership in any committee of this company.

**MR. VIPUL MANDALIA**

Mr. Vipul Mandalia has completed BBA from the university of East London – UK and having total experience of 5 years in Jewellery Business, Import – Export of Ornaments.

He is a director of 6 (six) private limited companies such as Zaveri & Co. Pvt. Ltd., Zaveri Enterprise Pvt. Ltd., Ausom International Pvt. Ltd., Amazo Arcade Pvt. Ltd., Vrundavan Garden Pvt. Ltd., Zaveri International Pvt. Ltd. He is also holding 836420 equity shares of the company. He is a member of remuneration committee and share transfer cum investor grievance committee.

**C. AUDIT COMMITTEE**
**Terms of Reference:**

The terms of reference of this Committee cover the matters specified for Audit Committee under revised Clause-49 of the Listing Agreement as well as in section 292A of the Companies Act, 1956.

**Composition:**

The audit committee comprises of:-

- Mr. Ghanshyambhai Akbari
- Mr. Hitesh Adeshara
- Mr. Mukesh Adeshara
- Mr. Hitesh Adeshara is the Chairman of the committee.