

39th
Annual Report 2022-23



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 VAGHJIANI
COMPANY SECRETARY & COMPLIANCE OFFICER		MR. RAVIKUMAR PASI
CHIEF FINANCIAL OFFICER (CFO)	:	MR. RUPESH SHAH
AUDITORS	:	M/S. C. R. SHAREDALAL & CO. 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 ENTERPRISELIMITED**.

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

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	PRAFULLBEN Z. MANDALIA	PAC*

*** PAC-PERSONS ACTING IN CONCERT**



NOTICE

NOTICE is hereby given that the Thirty Ninth (39th) Annual General Meeting of the Members of **M/S. AUSOM ENTERPRISE LIMITED** (CIN: L67190GJ1984PLC006746) will be held on Friday, the 29th day of September, 2023 at 01.00 p.m. (IST) 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 Audited Consolidated Financial Statements) of the Company for the financial year ended 31st March, 2023, 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 for the financial year ended March 31, 2023.
2. To declare Final Dividend on equity shares for the financial year 2022-2023.
3. To appoint a Director in place of Mr. Zaverilal Virjibhai Mandalia, (DIN: 00133262), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. To consider and if thought fit, approve the material related party transaction(s) proposed to be entered into by the Company during the Financial Year 2023-24 and to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 read with the rules framed thereunder (including any statutory amendment(s) or re-enactment(s) thereof, for the time being in force, if any), and in terms of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, the Company's policy on Related party Transactions and subject to such approval(s), consent (s), permission(s) as may be necessary from time to time and basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company ("Board"), for entering into and/ or carrying out and/ or continuing with existing contracts/ arrangements/ transactions or modification(s) of earlier/ arrangements/ transactions or as fresh and independent transaction(s) or otherwise (whether individually or series of transaction(s) taken together or otherwise), with ZAVERI AND COMPANY PRIVATE LIMITED, related parties of the Company, during the Financial Year 2023-24 as per the details set out in the explanatory statement annexed to this notice, notwithstanding the fact that the aggregate value of all these transaction(s), whether undertaken directly by the Company, may exceed the prescribed thresholds as per provisions of the SEBI Listing Regulations as applicable from time to time, provided, however, that the said contract(s)/ arrangement(s)/ transaction(s) shall be carried out at an arm's length basis and in the ordinary course of business of the Company;

RESOLVED FURTHER THAT the Board be and is hereby severally authorised do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including to execute all such agreements, documents, instruments and writings as deemed necessary, with power to alter and vary the terms and conditions of such contracts/ arrangements/ transactions, settle all questions, difficulties or doubts that may arise in this regard.



RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and is hereby approved, ratified and confirmed in all aspects.”

5. To consider and if thought fit, approve the material related party transaction(s) proposed to be entered into by the Company during the Financial Year 2023-24 and to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 2013 read with the rules framed thereunder (including any statutory amendment(s) or re-enactment(s) thereof, for the time being in force, if any), and in terms of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, the Company’s policy on Related party Transactions and subject to such approval(s), consent (s), permission(s) as may be necessary from time to time and basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (“Board”), for entering into and/ or carrying out and/ or continuing with existing contracts/ arrangements/ transactions or modification(s) of earlier/ arrangements/ transactions or as fresh and independent transaction(s) or otherwise (whether individually or series of transaction(s) taken together or otherwise), with SWADESHI DISTRIBUTORS LLP, related parties of the Company, during the Financial Year 2023-24 as per the details set out in the explanatory statement annexed to this notice, notwithstanding the fact that the aggregate value of all these transaction(s), whether undertaken directly by the Company, may exceed the prescribed thresholds as per provisions of the SEBI Listing Regulations as applicable from time to time, provided, however, that the said contract(s)/ arrangement(s)/ transaction(s) shall be carried out at an arm’s length basis and in the ordinary course of business of the Company;

RESOLVED FURTHER THAT the Board be and is hereby severally authorised do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including to execute all such agreements, documents, instruments and writings as deemed necessary, with power to alter and vary the terms and conditions of such contracts/ arrangements/ transactions, settle all questions, difficulties or doubts that may arise in this regard.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and is hereby approved, ratified and confirmed in all aspects.”

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

Place:- Ahmedabad

Date: - 9th August, 2023

**Ravikumar Pasi
Company Secretary & Compliance Officer**

Registered Office:

11-B, New Ahmedabad Industrial Estate,
Sarkhej-Bavla Road, Village – Moraiya-382213.

Dist:- Ahmedabad. Gujarat.

CIN: L67190GJ1984PLC006746,

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E-mail: ausom.ael@gmail.com Website: www.ausom.in

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO.: 04

The Audit Committee as well as the Board granted omnibus approval for the proposed related party transactions for Financial Year 2023-24.

As per the provisions of Section 188 of the Companies Act, 2013, transactions with related parties which are on an arm's length basis and in the ordinary course of business, are exempted from the obligation of obtaining prior approval of shareholders.

With effect from 1st April, 2022, Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), mandates prior approval of the Shareholders through ordinary resolution for all 'material' Related Party Transactions.

For this purpose, a transaction with a Related Party shall be considered 'material', if such transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed Rs. 1,000 crores or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower. (10% of the annual consolidated turnover of the Company is Rs. 177.76 Crores as per the last audited financial statements of the Company i.e. F.Y. 2022-23).

SEBI, vide its circular dated 30th March, 2022, has clarified that a Related Party Transaction approved by the Audit Committee prior to 1st April, 2022, which continues beyond this date and if it becomes material as per the materiality threshold provided above, requires approval of the shareholders.

In accordance with the change in materiality threshold, the transaction as per the details given below is being placed before the shareholders for their approval.

Mr. Zaverilal Virjibhai Mandalia and Mr. Kishor Pranjivandas Mandalia are Director in both Companies i.e. ZAVERI AND COMPANY PRIVATE LIMITED (ZCPL) and AUSOM ENTERPRISE LIMITED (AEL).

The Company has existing transactions/contracts/ arrangements/agreements with ZCPL which are at present within the materiality thresholds as prescribed by the Listing Regulations.

Now expected to exceed 10% of the annual consolidated turnover of the Company (i.e. Rs. 177.76 Crores), the Company is approaching the shareholders for approval of the Material Related Party Transactions with ZCPL.

The Company has in place a structured process for approval of Material Related Party Transactions and on Dealing with Related Parties. As per the process, necessary details for each of the Related Party Transaction irrespective of the materiality threshold along with the justification are provided to the Audit Committee which enables them to arrive at the right decision.



Details of Material Related Party Transactions in terms of SEBI circular SEBI/HO/CFD/CMD1/CIR/P/2021/662 22nd November, 2021;

Sr. No	Particulars	Details
1	Name of the Related Party	Zaveri and Company Private Limited
2	Nature of Relationship with the Company	Enterprises in which KMP/ Relatives of KMP are having control or significant influence
3	Type of the proposed transaction	The transaction involves for Loans & Advances for business purpose during FY 2023-24
4	Material terms and particulars of the proposed transaction	Material terms and conditions are based on the contracts which inter alia include the rates based on prevailing/ extant market conditions and commercial terms as on the date of entering into the contract(s).
5	Tenure of the proposed transaction	Recurring Transactions for financial year 2023-24
6	Value of the proposed Transaction	Not exceeding Rs. 1000 crores in a financial year
7	Percentage of the Company's annual consolidated turnover for the immediately preceding financial year that is represented by the value of the proposed transaction	562.56%
8	(a) Details of the source of funds in connection with the proposed transaction (b) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments • nature of indebtedness; • cost of funds; and • tenure; (c) Applicable terms, including covenants, tenure, interest rate, repayment schedule, whether secured (nature of security) or unsecured (d) Purpose for which funds will be utilized	Not Applicable, as the transaction does not relate to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary.
9	Justification as to why the RPT is in the interest of the Company.	Enterprises in which KMP/ Relatives of KMP are having control or significant influence
10	Details about valuation, arm's length and ordinary course of business Arm's length pricing;	combination of cost-plus markup and market benchmarking
11	Valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction	Not Applicable
12	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis	9.75%
13	Any other information relevant or important for the shareholders to take an informed decision	All relevant information forms a part of this Explanatory statement setting out material facts

The above mentioned Related Party Transaction is in the ordinary course of business and on an arm's length basis.



The transaction shall also be reviewed/ monitored on an quarterly basis by the Audit Committee of the Company and shall remain within the proposed limits as placed before the shareholders. Any subsequent 'Material Modification' in the proposed transaction, as defined by the Audit Committee as a part of Company's 'Policy on Related Party Transactions', shall be placed before the shareholders for approval, in terms of Regulation 23(4) of the Listing Regulations.

The Board recommends the resolution set forth as above for approval of the Members by way of an Ordinary Resolution.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out as above.

ITEM NO.: 05

The Audit Committee as well as the Board granted omnibus approval for the proposed related party transactions for Financial Year 2023-24.

As per the provisions of Section 188 of the Companies Act, 2013, transactions with related parties which are on an arm's length basis and in the ordinary course of business, are exempted from the obligation of obtaining prior approval of shareholders.

With effect from 1st April, 2022, Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), mandates prior approval of the Shareholders through ordinary resolution for all 'material' Related Party Transactions.

For this purpose, a transaction with a Related Party shall be considered 'material', if such transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed Rs. 1,000 crores or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower. (10% of the annual consolidated turnover of the Company is Rs. 177.75 Crores as per the last audited financial statements of the Company i.e. F.Y. 2022-23).

SEBI, vide its circular dated 30th March, 2022, has clarified that a Related Party Transaction approved by the Audit Committee prior to 1st April, 2022, which continues beyond this date and if it becomes material as per the materiality threshold provided above, requires approval of the shareholders.

In accordance with the change in materiality threshold, the transaction as per the details given below is being placed before the shareholders for their approval.

Swadeshi Distributors LLP (SDLLP) is a LLP in which Ausom Enterprise Limited is a Designated Partner with 80.00% Profit & Loss Sharing Ratio. SDLLP having a Hydro Project at Salun, Himachal Pradesh. Due to the said joint venture, SDLLP shall be the related party for the Company and the transactions with the said venture would term as related party transactions.

The Company has existing transactions/contracts/ arrangements/agreements with SDLLP which are at present within the materiality thresholds as prescribed by the Listing Regulations.

Now expected to exceed 10% of the annual consolidated turnover of the Company (i.e. Rs. 177.75 Crores), the Company is approaching the shareholders for approval of the Material Related Party Transactions with SDLLP.

The Company has in place a structured process for approval of Material Related Party Transactions and on Dealing with Related Parties. As per the process, necessary details for each of the Related Party Transaction irrespective of the materiality threshold along with the justification are provided to the Audit Committee which enables them to arrive at the right decision.

Details of Material Related Party Transactions in terms of SEBI circular SEBI/HO/CFD/CMD1/CIR/P/2021/662 22nd November, 2021;

Sr. No	Particulars	Details
1	Name of the Related Party	Swadeshi Distributors LLP
2	Nature of Relationship with the Company	Joint ventures where entity is Venturer
3	Type of the proposed transaction	The transaction involves for Loans & Advances for business purpose during FY 2023-24
4	Material terms and particulars of the proposed transaction	Material terms and conditions are based on the contracts which inter alia include the rates based on prevailing/ extant market conditions and commercial terms as on the date of entering into the contract(s).
5	Tenure of the proposed transaction	Recurring Transactions for financial year 2023-24
6	Value of the proposed Transaction	Not exceeding Rs. 250 crores in a financial year
7	Percentage of the Company's annual consolidated turnover for the immediately preceding financial year that is represented by the value of the proposed transaction	140.64%
8	(a) Details of the source of funds in connection with the proposed transaction (b) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments • nature of indebtedness; • cost of funds; and • tenure; (c) Applicable terms, including covenants, tenure, interest rate, repayment schedule, whether secured (nature of security) or unsecured (d) Purpose for which funds will be utilized	Not Applicable, as the transaction does not relate to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary.
9	Justification as to why the RPT is in the interest of the Company.	Joint ventures where entity is Venturer
10	Details about valuation, arm's length and ordinary course of business Arm's length pricing;	combination of cost-plus markup and market benchmarking
11	Valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction	Not Applicable
12	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis	1785.71%



13	Any other information relevant or important for the shareholders to take an informed decision	All relevant information forms a part of this Explanatory statement setting out material facts
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The above mentioned Related Party Transaction is in the ordinary course of business and on an arm's length basis.

The transaction shall also be reviewed/ monitored on a quarterly basis by the Audit Committee of the Company and shall remain within the proposed limits as placed before the shareholders. Any subsequent 'Material Modification' in the proposed transaction, as defined by the Audit Committee as a part of Company's 'Policy on Related Party Transactions', shall be placed before the shareholders for approval, in terms of Regulation 23(4) of the Listing Regulations.

The Board recommends the resolution set forth as above for approval of the Members by way of an Ordinary Resolution.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out as above.

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

**Place:- Ahmedabad
Date: - 9th August, 2023**

**Ravikumar Pasi
Company Secretary & Compliance Officer**

Registered Office:

11-B, New Ahmedabad Industrial Estate,
Sarkhej-Bavla Road, Village – Moraiya-382213.
Dist:- Ahmedabad. Gujarat.
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