

**AUNDE FAZE THREE AUTOFAB
LTD.
ANNUAL REPORT
2000-2001.**



**BOARD OF DIRECTORS**

Mr. Ajay Anand	<i>Managing Director</i>
Mr. Rolf Konigs	<i>Director</i>
Mr. G. G. Prabhu	<i>Director</i>

AUDITORS

M/s. Majibail & Co.
Chartered Accountants
Mumbai.

REGISTERED OFFICE

3, Shiv Smriti Chambers,
49-A, Dr. Annie Besant Road, Worli
Mumbai 400 018.

SOLICITORS

Mahimkar & Mahimkar

REGISTRARS AND SHARE TRANSFER AGENTS

Dynamic Superways & Exports Limited
Rainbow Palace,
I.C. Colony Cross Road No. 5,
Borivli (W)
Mumbai 400 103.

BANKERS

Canara Bank

FACTORY

Plot No.146, Waghdhara Village
Dadra 396191
U.T. of Dadra & Nagar Haveli)



NOTICE

NOTICE is hereby given that the Fourth Annual General Meeting of the Members of AUNDE FAZE THREE AUTOFAB LIMITED will be held on Friday, the 28th September, 2001 at Conference Hall, Sunville Banquet Rooms 9, Dr. Annie Besant Road Worli Mumbai 400 018 at 10.30 A.M. to transact the following business:

Ordinary Business :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2001 and the Profit & Loss account for the year ended 31st March 2001 together with the Report of the Directors and auditors thereon.
2. To appoint a Director in place of Mr. G.G. Prabhu, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

By Order of the Board of Directors
For AUNDE FAZE THREE AUTOFAB Ltd.

Place : Mumbai
Dated : 31st August, 2001

G. G. PRABHU
Director

Registered Office :

3, Shiv Smriti Chambers,
49-A, Dr. Annie Besant Road, Worli
Mumbai 400 018.

Notes :

1. A Member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a member.
2. The instrument appointing a Proxy, in order to be effective, should be deposited with the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and the Share Transfer Registers of the Company shall remain closed from Friday 21.09.2001 to Friday 28.09.2001 (both days inclusive).
4. Members are requested to intimate any change in their address to the Registrars and Share Transfer Agents, Dynamic Superways and Exports Limited.
5. Documents referred to in any of the items in the Notice are available for inspection at the Registered Office of the Company on any working day during Business Hours of the Company between 11.00 a.m. and 1.00 p.m.
6. Queries on accounts and operations of the Company, if any, may please be sent to the Company seven days in advance of the meeting so that the answers may be made available at the meeting.
7. Members are requested to address all correspondence/documents, invariably quoting their Registered Folio No. relating to the Equity Shares directly to our Registrars and Share Transfer Agents, Dynamic Superways and Exports Limited, Rainbow Palace, I.C. Colony Cross Road No. 5, Borivli (W), Mumbai - 400 013.
8. Members are requested to bring their copy of this Annual Report to the Meeting.
9. Members/Proxies should bring the attendance slip duly filled in for attending the Meeting.



DIRECTORS' REPORT

Dear
Shareholders,

You Director have pleasure in presenting the 4th Annual Report of your Company and the Audited Accounts for the year ended 31st March, 2001.

COMPANY PERFORMANCE

The business of the company is mainly influenced by macroeconomic growth, more particularly industrial growth, vehicular legislations, disposable incomes, life style changes and entry of new car models, particularly in passenger car segment. In spite of a slowdown in the economy and downsizing of operations of major autogiants like Daewoo, the company has registered commendable results. The company looks forward to excellent times in the days to come since the passenger car industry, which a few years ago was one of the most protected industries in the country, now has as many as eight major global car companies assembling/manufacturing and marketing well established international products in the Indian market.

FINANCIAL RESULTS

	For the Year ended 31.03.2001	(Rupees in Lakhs) For the Year ended 31.03.00
Sales & Other Income	1615.23	Nil
Profit Before Taxation	41.53	Nil
Profit After Taxation	38.78	(4.53)
Balance brought forward from Previous Year	(4.96)	(0.43)
Profit available for appropriation	33.82	(4.96)
Balance carried over to the next year	33.82	(4.96)

DIVIDEND

In order to conserve resources for strengthening the project, your Directors do not recommend any dividend.

OTHER MAJOR DEVELOPMENTS

HIVE OFF OF AUTOFAB DIVISION

Consequent to the approval of the Scheme of Arrangement u/s. 391 and 394 of the Companies Act, 1956 by the Bombay High Court vide its Order dated 21st March, 2000 the Hive Off of the Autofab Division at Dadra from Faze Three Exports Limited to Aunde Faze Three Autofab Limited has been completed. The 'Effective Date' for the demerger has been fixed at 15.6.2000.

ALLOTMENT OF SHARES OF AUNDE FAZE THREE AUTOFAB LIMITED

As per the Scheme of Arrangement for the demerger of the Autofab Division, the shareholders of Faze Three Exports Limited are entitled to 3 (Three) shares of Aunde Faze Three Autofab Limited for every Two (shares) held by them in Faze Three Exports Limited. The shares of Aunde Faze Three Autofab Limited will be listed and traded on the Bombay Stock Exchange. The Initial Listing Fees and Annual Listing Fees has been paid to BSE. However, BSE has stipulated various additional conditions which includes making a public offer of shares so as to bring the public shareholding in the company to minimum 25%. The company has written to BSE to waive this condition and allow listing. We are hopeful, that the BSE will consider our request favourably and grant listing at the earliest. Shareholders will be intimated about the listing immediately. The Shares of Faze Three Exports Limited will also continue to be listed and traded on the Stock Exchange.

**DEMATERIALISATION OF SHARES**

The shares of the company are eligible for dematerialisation. Shareholders are encouraged to have their shares dematerialized for the benefits available due to dematerialisation.

PUBLIC DEPOSITS

The Company has not accepted any deposits from the Public.

DIRECTORS

Mr. G.G. Prabhu retires by rotation at the forthcoming Annual General Meeting of the Company, and offers himself for re-appointment.

PARTICULARS OF EMPLOYEES

There are no employees drawing salary as required to be mentioned under Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Particulars required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure to this Report.

AUDITORS

M/s. Majibail & Co., Chartered Accountants, being eligible offer themselves for re-appointment. If re-appointed, it will be within the prescribed limits specified in Section 224 (1B) of the Companies Act, 1956. Members are requested to appoint the auditors and to fix their remuneration.

EMPLOYEES

Your Directors would like to record their sincere appreciation of the dedicated efforts put in by employees across all levels in the organisation.

ACKNOWLEDGEMENT

The Board wishes to place on record their appreciation for the co-operation extended by the Bankers and Financial Institution, various State and Central Government authorities. Finally, the Directors wish to express their gratitude to the Members for their continued support.

For and on behalf of the Board

AJAY ANAND
Managing Director

Place: Mumbai

Dated: 31st August, 2001.



ANNEXURE TO DIRECTORS' REPORT

Information pursuant to the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 forming part of the Report of the Directors.

1. RESEARCH & DEVELOPMENT

(i) Specific area in which R & D is carried by the Company :

- Introduction of New Products and Improving the Processes of the existing products
- Introduction of Autofab and developing new technology for our Autofab products.
- Making new Designs acceptable to international customers.

(ii) Benefits derived as a result of R & D activities:

- Product Range Extension
- Improvement of Quality and Yield
- Cost reduction leading to competitiveness.
- Development of Various Designs as well as new products, with high standard in international Market.
- Reduction in Cost and time cycle, better effluent management and utilising indigenous products for offering finished products.

(iii) Future Plan of Action:

- Development of Products for indigenous market.
- Substitute Development of new designs for Export of high value autofab products which are currently imported.

