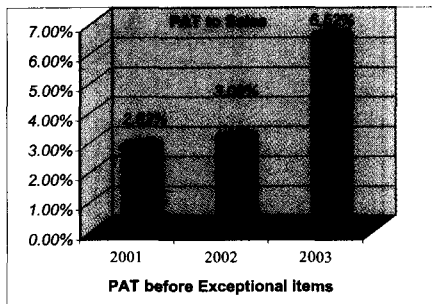


AUNDE Faze Three Autofab Limited



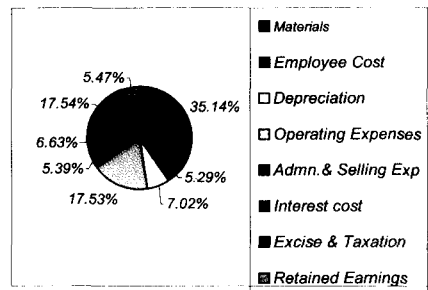
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Sales is net of Excise duty

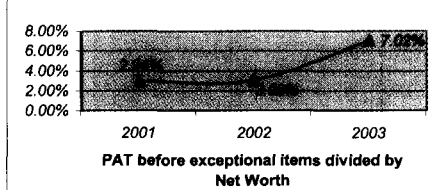


Business Output

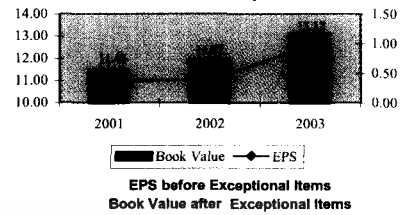
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Return on Net Worth

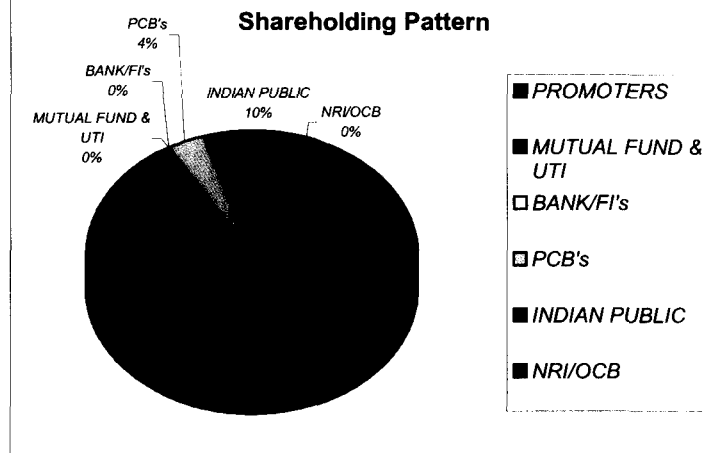


EPS and Book Value per share



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Shareholding Pattern



AUNDE Faze Three Autofab Limited**AUNDE Faze Three Autofab Limited****ANNUAL REPORT FOR THE YEAR ENDED 30th JUNE, 2003.**

- | | |
|--|--|
| 1. Date and Time of Annual General Meeting | : Wednesday, 31st March, 2004 at 10.30AM |
| 2. Venue | : Culture Centre of Russia,
31-A Dr. G Deshmukh Marg, Peddar Road,
Mumbai-400 026. |
| 3. Book Closure | : 23rd March 2004 till 31st March 2004.
(Both days Inclusive) |
| 4. Investors' Complaints may be addressed to | : Share Department
AUNDE Faze Three Autofab Limited
102, Shiv Smriti Chambers,
49-A, Dr. Annie Besant Road, Worli ,
Mumbai - 400 018.
Phone : 022 5660 4600 |

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AUNDE Faze Three Autofab Limited

ANNUAL REPORT FOR THE YEAR ENDED 30th JUNE, 2003.

Board of Directors

Mr. Ajay Anand
Managing Director

Mr. Rolf Konigs
Director

Mr. G.G. Prabhu
Director

Mr. Kapil Sethi
Director

Auditors

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

Registered Office

102, 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).



AUNDE Faze Three Autofab Limited

NOTICE :

NOTICE is hereby given that the Sixth Annual General Meeting of the Members of **AUNDE Faze Three Autofab Limited** will be held on Wednesday, 31st March 2004 at Culture Centre of Russia, 31-A Dr. G. Deshmukh Marg, Peddar Road, Mumbai-400 026. at 10.30 AM to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 30th June 2003 and the Profit & Loss account for the period ended 30th June 2003 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.
4. Voluntary delisting of the Company's Ordinary Shares from Stock Exchanges at Ahmedabad, Delhi.

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

"RESOLVED that in supersession of the Resolutions previously passed and subject to the provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter) and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company(hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution), consent is hereby accorded to the Board to delist the Company's Ordinary Shares from the Stock Exchange, Ahmedabad and The Delhi Stock Exchange Association Limited.

By Order of the Board of Directors
For **AUNDE Faze Three Autofab Limited**

Place : Mumbai
Dated : 20.02.2004.

G.G. PRABHU
Director

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 23rd March 2004 till 31st March 2004 (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, Rainbow Palace, I.C. Colony Cross Road No. 5, Borivli [W], Mumbai 400 103.
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 the 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.

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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 400 103.
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.
10. Members are informed that in case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
11. Brief resume of Mr. G.G.Prabhu, Director retiring by rotation, is given under the Corporate Governance Report.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 4 Presently the Company's securities are listed on the following three Stock Exchanges in India.

- (i) The Stock Exchange, Mumbai
- (ii) The Stock Exchange, Ahmedabad
- (iii) The Delhi Stock Exchange Association Limited

With the wide and extensive networking of centres of BSE, the investors have access to online dealing in the Company's securities across the country. Moreover, the Company's Ordinary Shares are one of the scrips which Securities and Exchange Board of India(hereinafter referred to as "SEBI")has specified for settlement only in demat form.

The Stock exchanges in india with the permission of SEBI are now free to fix the listing fees unilaterally and the listing fees charged by some of the Stock Exchange are very high. The trading volumes of the Company's securities at Ahmedabad, Delhi stock Exchanges are on the decline. The annual recurring listing fees paid to the said two Stock Exchanges, do not now offer corresponding benefit to the Company/investors in the changes scenario of the said available network of the BSE, therefore decided to apply for the voluntary delisting of the Company's Ordinary Shares from said two Stock Exchanges and proposed voluntary delisting would further contribute to the cost reduction initiative taken across various functional areas of the Company and will not adversely affect any investor including the members located in the regions where the said two Stock Exchanges situated. It is now proposed to seek the members' approval by way of Special Resolution for voluntary delisting the Company's Ordinary Shares from the said two Stock Exchanges as set out in the item no. 4.

The proposed delisting is in the interest of the Company and the Board commends the resolution for acceptance by the members. None of the Directors of the Company is concerned or interested in the Resolution at item No.4.

By Order of the Board of Directors
For AUNDE Faze Three Autofab Limited

Place : Mumbai
Dated : 20.02.2004.

G.G. PRABHU
Director

Registered Office :

102, Shiv Smriti Chambers,
49-A, Dr Annie Basant Road,
Worli, Mumbai-400 018.



AUNDE Faze Three Autofab Limited

DIRECTOR'S REPORT

Dear Shareholders,

The Directors take pleasure in presenting the Sixth Annual Report of the Company and the Audited Accounts for the year ended 30th June, 2003.

COMPANY PERFORMANCE & OVERALL REVIEW

The automotive components sector of the Indian economy is out of recessionary conditions and is on a strong growth path. The company is poised to emerge as a major supplier to leading OEMs in the market. Global auto manufacturers are trying to improve their profitability by outsourcing automotive components from manufacturers in countries like Mexico, China, Brazil and India, who offer products at significantly lower cost without much compromise on quality. However, India has an advantage over these countries in products where the labour component is greater than 35% of the product cost, as well as in value addition, in the form of engineering and design services. It should also be kept in mind that sustained relationships with the global auto majors can only be developed by Companies that have developed culture, organisational capability and a competitive advantage.

The manufacturing plant of the Company is situated at Dadra in the Union Territory of Dadra and Nagar Haveli. The Company is in collaboration with Aunde Achter & Ebels GmbH (Germany). Aunde Faze Three Autofab Limited has high quality standards and product development capabilities to leverage on improved off-take from its user profile. It is also well positioned to capitalise in the OEM and the replacement markets. Your company is upgrading its competencies in various segments of activities, viz, design, product development and quality assurance.

FINANCIAL RESULTS

	For the year ended 30.06.2003	(Rupees in Lakhs) For the Year ended 30.06.02
Sales & Other Income	1900.03	1562.12
Profit Before Taxation	110.92	44.74
Profit After Taxation	102.65	41.22
Balance brought forward from Previous Year	35.03	33.82
Profit available for appropriation	137.68	75.04
Less : Transfer to General Reserve	50.00	40.00
Balance carried over to the next year	87.69	35.04

DIVIDEND

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

PUBLIC DEPOSITS

The Company has not accepted any deposits from the Public in terms of the Companies (Acceptance of Deposits) Rules, 1975.

DIRECTORS

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



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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.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, your Directors confirm:

- (a) That the applicable accounting standards have been followed in the preparation of the annual accounts ;
- (b) That the Directors have selected such accounting policies and applied them consistently and made judgements 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 ended June 30, 2003 and of the profit of the Company for that period ;
- (c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- (d) That the Directors have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

A separate section on Corporate Governance is included in the Annual Report and the Certificate from the Company's auditors confirming the compliance of conditions on Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges is annexed thereto.

AUDITORS

M/s. Majiball & Co., Chartered Accountants, being eligible offer themselves for re-appointment. If re-appointed, their appointment 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 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 of Director
For AUNDE Faze Three Autofab Limited

Place: Mumbai
Dated: 20.02.2004.

AJAY ANAND
Managing Director





AUNDE Faze Three Autofab Limited

ANNEXURE TO DIRECTOR'S 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.

2. CONSERVATION OF ENERGY

The Particulars with respect to Conservation of Energy etc. pursuant to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, under Section 217 (1) (e) of the Companies Act, 1956 are set out hereunder:

(A) POWER AND FUEL CONSUMPTION

(Rs. in Lakhs)
2002-2003

(i) Electricity :

(a) Purchased:

Units (Lakhs)	10.32
Total Cost (Rs. in Lakhs)	28.51
Rate per Unit (Rs.)	2.76

(b) Own Generation (Thru DG Set)

Units (Lakhs)	0.96
Total Cost (Rs. in Lakhs)	8.60
Rate per Unit (Rs.)	8.93

(ii) Coal, Firewood, Rice Husk etc.

Quantity (Qntls)	Nil
Total Cost (Rs. in Lakhs)	Nil
Rate per Unit (Rs.)	Nil

(B) FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in Lakhs)
2002-2003

Total Foreign Exchange Earned

-NIL-

Total Foreign Exchange Used

182.57

For and on behalf of the Board
For AUNDE Faze Three Autofab Limited

Place: Mumbai
Dated: 20.02.2004.

AJAY ANAND
Managing Director



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REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges)

1. Company's Philosophy on Code of Governance :

Your Company is committed to good corporate governance. The Company respects the rights of its shareholders to information on the performance of the Company and it is its endeavour to maximize the long term value to the shareholders of the Company. The Corporate Governance policies of the Company are organized along the following principles:

1. Recognizing the roles and responsibilities of Board and Management.
2. Having Board of an effective composition, size and commitment to effectively discharge its responsibilities.
3. Independent verification and safeguarding integrity of the company's financial reporting.
4. Timely and balanced disclosure of all material matters concerning the company.
5. Compliance with clause 49 of listing agreement

2. Board of Directors :

The composition of the Board of Directors of the Company as on June 30, 2003 is as follows:

Category	No. of Directors	%
Promoters/Executive Directors	1	25
Non-Executive Directors	3	75
Total	4	100

Further, three out of the four directors are Independent, forming over half of the total number of Directors on the Board. These Independent Directors do not have any material or pecuniary relationship or transactions with the Company, its promoters or its management, which may affect their judgment in any manner.

During the financial period under review, twelve Board Meetings were held on the following dates :

July 30, 2002; August 16, 2002; August 30, 2002; October 31, 2002; November 20, 2002; November 23, 2002; December 10, 2002; January 31, 2003; February 24, 2003; April 10, 2003; April 29, 2003; May 22, 2003

The name of the Directors and the category to which they belong to, along with their attendance at Board Meetings during the year under review and at the last annual general meeting, and the number of directorships and committee memberships held by them in other companies are given below:

Name	Category	Board Meeting during the Period		Last AGM Attended 23/12/2002	No. of outside Directorship(s) (excludes private & foreign companies)		No. of outside committee position (excludes private & foreign companies)	
		Held	Attended		Chairman	Member	Chairman	Member
Mr. Ajay Anand (M.D)	Promoter Executive Non-Independent	12	12	Yes	1	1	-	3
Mr. Rolf Konigs	Non Executive Independent	12	-	No	-	-	-	-
Mr. G.G. Prabhu	Non Executive Independent	12	12	Yes	-	1	2	-
Mr. Kapil Sethi	Non Executive Independent	12	8	No	-	-	-	-