

# AUNDE Faze Three Autofab Limited

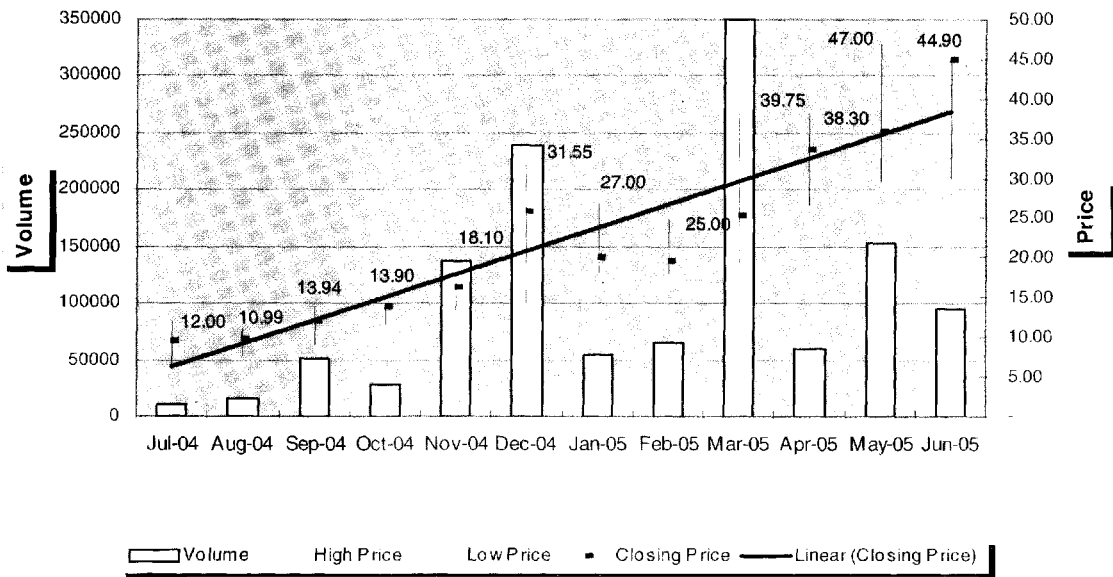
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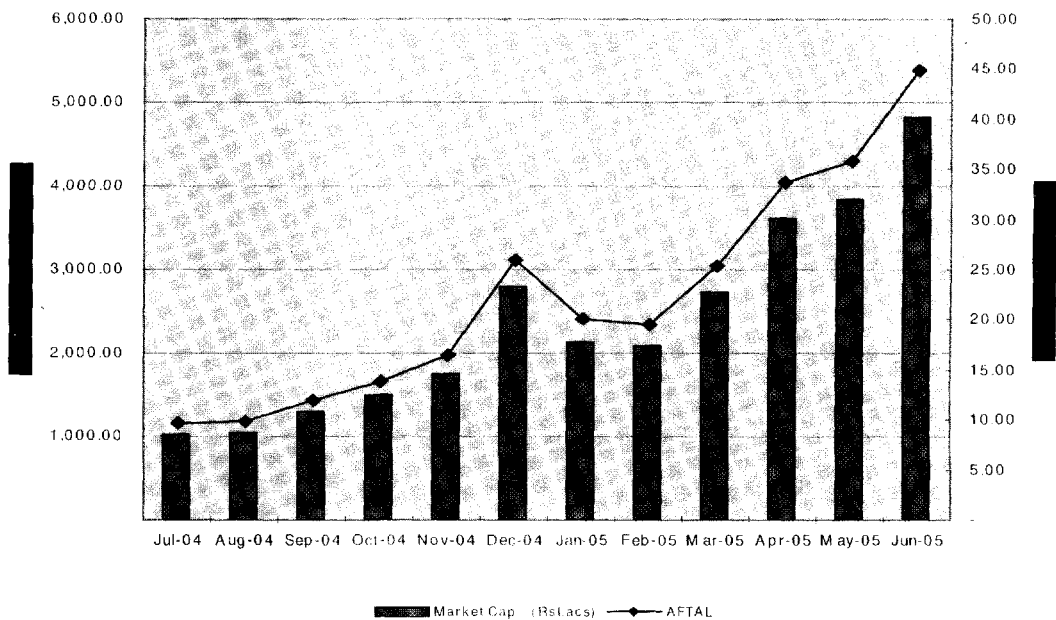
Report  junction.com

## **EIGHTH ANNUAL REPORT 2004-2005**

The Performance of Company's Stock over the year



Report Junction.com  
The Stock Performance vis-a-vis Market Cap





# AUNDE Faze Three Autofab Limited

## AUNDE Faze Three Autofab Limited

### ANNUAL REPORT FOR THE YEAR ENDED 30TH JUNE, 2005

1. Date of Annual General Meeting : Tuesday, 27th December 2005
2. Time and Venue : 11.00 a.m. at Auditorium, Cultural Centre of Russia,  
31-A, Dr. G Deshmukh Marg, Peddar Road,  
Mumbai – 400 026:
3. Book Closure : Tuesday 20th December 2005 to Tuesday 27th  
December 2005 (Both Days inclusive)
4. Investors' Complaints may be addressed to : The Secretarial Department,  
AUNDE Faze Three Autofab Limited,  
102, Shiv Smriti Chambers,  
49-A, Dr. Annie Besant Road, Worli,  
Mumbai – 400 018  
Phone : 022 5660 4600 / 2494 4854

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## 8th Annual Report 2004-2005

# AUNDE Faze Three Autofab Limited

## ANNUAL REPORT FOR THE YEAR ENDED 30TH JUNE, 2005

### 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 Agent

Sharex Dynamic (India) Pvt. Ltd.  
Unit-1, Luthra Industrial Premises,  
Andheri-Kurla Road, Safed Pool,  
Andheri (East), Mumbai - 400 072.  
Phone : 022 2851 5606 / 5644  
E-mail : sharexindia@vsnl.com

### Bankers / Financial Institutions

Canara Bank  
ICICI Bank Ltd.  
IDBI

### 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 Eighth Annual General Meeting of the Members of AUNDE Faze Three Autofab Limited, will be held on Tuesday 27th December 2005 at the Auditorium, Cultural Centre of Russia, 31-A, Dr. G. Deshmukh Marg, Peddar Road, Mumbai – 400 026 at 11.00 AM to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 30th June 2005 and the Balance Sheet as at that date together with the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Rolf Konigs, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

#### SPECIAL BUSINESS:

##### 4. Borrowing Powers

To consider and, if thought fit, to pass with or without modification, the following Resolutions as **Ordinary Resolution(s)**

“**RESOLVED THAT** in supersession of the resolution passed at the 3rd Annual General Meeting of the Company held on Monday, 22nd May 2000, and pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof), the Company here by accords its consent to the Board of Directors for borrowing any sum or sums of money from time to time from any one or more of the Company's bankers and / or from any one or more other persons, firms, bodies corporate or financial institutions, whether in India or abroad, and whether by way of loans, advances, credits, acceptance of deposits, banking and financial facilities, issue of debentures or other securities or otherwise and whether unsecured and secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets, licenses and properties, whether immovable or moveable or stock-in-trade (including raw materials, stores, spare parts and components in stock or in transit) and work-in-progress and all or any of the undertaking of the Company notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the Bankers of the Company in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, so that the total amount upto which the moneys may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs 1,00,00,00,000/- (Rupees One Hundred Crores only) and the Board of Directors (including any committee/s thereof) is hereby authorized to execute such debenture trust deeds or mortgage, charge, hypothecation, lien, promissory notes, deposit receipts and other deeds and instruments or writings containing such conditions and covenants as the Board may deem fit.”

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

Place: Mumbai

Date : September 30th 2005

**G.G. Prabhu**  
Director

#### Notes:

1. A MEMBER ENTITLED TO ATTEND & VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.



## 8th Annual Report 2004-2005

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. Completion and return of the form of proxy will not prevent a member from attending the meeting and voting in person if he or she so wishes. A form of proxy is given at the end of the Annual Report.
3. The Register of Members and the Share Transfer Registers of the Company shall remain closed from Tuesday 20th December 2005 to Tuesday 27th December 2005 (both days inclusive).
4. Members are requested to intimate any change in their address to the Registrars and the Share Transfer Agent, **Sharex Dynamic (India) Pvt. Ltd.**, Unit-1, Luthra Industrial Premises, Andheri – Kurla Road, Safed Pool, Andheri (East), Mumbai - 400 072. The Company or its Registrars cannot act on any request received directly from the shareholders holding shares in Demat form, for any change in the address. Such changes are to be advised only to the Depository Participant of the respective shareholders.
5. Documents referred to in any of the items in the Notice are available for inspection at the Registered Office of Company on any working day during Business Hours between 11.00 am to 1.00 pm
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 the correspondence/documents, invariably quoting their Registered Folio No. / Client ID relating to the Equity Shares held by them, directly to our Registrar and Share Transfer Agent, **Sharex Dynamic (India) Pvt. Ltd.**, Unit-1, Luthra Industrial Premises, Andheri – Kurla Road, Safed Pool, Andheri (East), Mumbai - 400 072.
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. Brief resume of Mr. Rolf Konigs, Director retiring by rotation, is given under the Corporate Governance Report.

### ANNEXURE TO THE NOTICE

#### Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

##### Item No. 4

As per the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of the Company cannot, except with the permission of the Shareholders in General Meeting, borrow money in excess of the aggregate of the paid-up capital of the Company and its free reserves.

The Shareholders of the Company had at the 3rd Annual General Meeting held on Monday, 22nd May 2000, approved, inter alia, borrowings in terms of Section 293(1)(d) of the Companies Act, 1956, upto Rs 30.00 Crores.

The increasing business operations and future growth plans of the Company would necessitate restructuring of the borrowing limits by authorizing the Board of Directors to borrow monies provided the total amount which may be so borrowed by the Board of Directors and outstanding at anytime shall not exceed Rs. 100 Crores (Rupees One Hundred Crores). The Directors while exercising their powers shall, however, observe the debt/equity norms as applicable.

Your Directors commend the resolution for your approval.

None of the Directors of the Company is in any way, concerned or interested in the said resolution.



## AUNDE Faze Three Autofab Limited

### DIRECTORS' REPORT

To the Members

On behalf of the Board of Directors, I have great pleasure in presenting to you the Eighth Annual Report on the working of the Company, together with the Audited Accounts for the year ended 30th June 2005. It was yet another year of consistent all round performance by your Company.

#### HIGHLIGHTS: -

#### FINANCIAL

Rs./Lacs

|  | 2004-05       | 2003-04       |
|--|---------------|---------------|
| Sales & Other Income                       | 3813.60       | 3476.94       |
| Profit before taxation                     | 332.86        | 323.84        |
| Less: Provision for Taxation               | 28.34         | 25.38         |
| <u>Profit After Taxation</u>               | <u>304.52</u> | <u>298.45</u> |
| Balance brought forward from Previous Year | 135.98        | 87.69         |
| Profit available for appropriation         | 440.49        | 386.14        |
| Less: Prior Period Charges                 | 0.73          | 0.16          |
| Transfer to <u>General Reserve</u>         | <u>250.00</u> | <u>250.00</u> |
| Balance carried over to the next year      | <u>189.76</u> | <u>135.97</u> |

#### TURNOVER

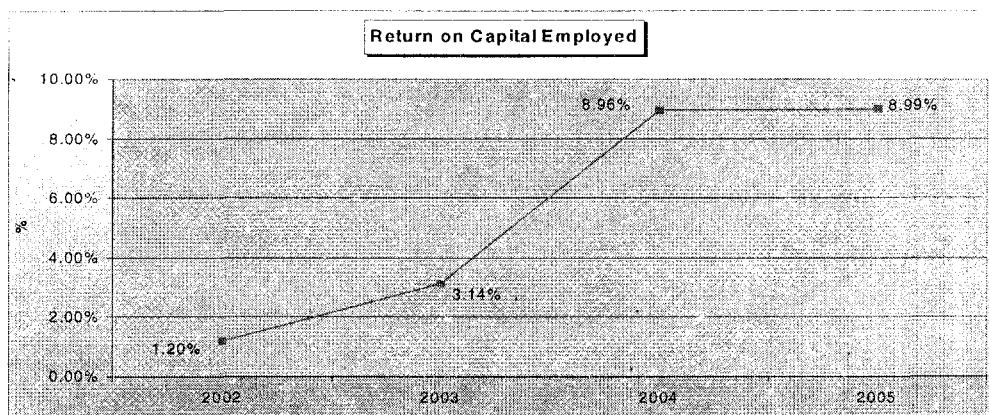
Your Company has achieved a total turnover of Rs. 3813.60 Lacs as compared to Rs. 3476.94 Lacs in 2003-04, thus registering a year on year growth of 9.68%.

#### PROFIT

Your Company has earned gross profit of Rs. 332.86 Lacs as against Rs. 323.84 Lacs in 2004-05 and profit after tax of Rs. 304.52 Lacs as compared to Rs. 298.45 Lacs in 2004-05.

#### RETURN ON CAPITAL EMPLOYED

The return on Capital employed continued to record consistent increase and was 8.99% during the year under review as compared to 8.96% during the previous year.







## **8th Annual Report 2004-2005**

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### **AWARDS AND CERTIFICATIONS**

In line with Management's efforts to make Company's product at par with international quality standards, the Company has obtained TS 16949 certification during the year under review.

### **EXPANSION PROGRAM UNDERTAKEN**

The Company is envisaging expansion programme of Rs.750 lacs, which includes acquisition and installation of 12 Dobby Looms, 3 Jacquard Looms, 1 Warping Machine, 2 inter-mingling machines, utilities and other balancing equipments. This expansion will be funded through financial assistance from financial institutions / banks and partly through internal accruals.

### **DIVIDEND**

In order to conserve resources for strengthening the on-going project(s), your Directors do not recommend any dividend for the year under review.

### **FIXED DEPOSITS**

Your Company has not accepted any deposits from public in terms of the Companies (Acceptance of Deposits) Rules, 1975, and no amount of principal or interest was outstanding on the date of the Balance Sheet.

### **BORROWING POWERS**

The Company has drawn up plans for expanding its production capacity with the objective to garner a sizeable market share. The Company is in negotiation with various financial institutions and banks for tying up the funds required for implementation of expansion plans. Keeping in view the debt requirements of the Company in the next 2/3 years, the Board of Directors is of the view that the existing limits for borrowings need to be increased from Rs 30 Crores to Rs 100 Crores.

### **DIRECTORS**

Mr. Rolf Konigs, Director of the Company retires by rotation at the ensuing Annual General Meeting pursuant to the provisions the Companies Act, 1956 and Articles of Association of the Company and is eligible 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**

Details of energy conservation and research and development activities undertaken by the Company along with the information in accordance with the provisions of 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, are given as an Annexure to the Directors' Report.





## AUNDE Faze Three Autofab Limited

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed alongwith proper explanation relating to material departures;
- (ii) The Company has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent 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 or loss of the Company for that period;
- (iii) The Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) These Accounts have been prepared 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, form part of this Annual Report.

### AUDITORS

Messers Majibail & Company, Chartered Accountants, who are the Statutory Auditors of the Company hold office until the ensuing Annual General Meeting. It is proposed to re-appoint them to examine and audit the accounts of the Company for the Fiscal 2005-06. Messers Majibail & Company have, under Section 224(1B) of the Companies Act, 1956 furnished the certificate of their eligibility for re-appointment.

### ACKNOWLEDGEMENT

The Directors gratefully acknowledge the valuable guidance and support extended by the Bankers and Financial Institutions.

The employees of the Company have continued to display their total commitment towards the pursuit of excellence. The Directors wish to convey their appreciation to all of the Company's employees for their enormous personal efforts as well as their collective contribution to the Company's consistent performance.

The Directors are also thankful to the shareholders for their faith and continued support in the endeavors of the Company.

For and on behalf of the Board

Place : Mumbai

Date : September 30, 2005

**Ajay Anand**  
Managing Director



## 8th Annual Report 2004-2005

### 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 Directors' Report for the year ended 30th June, 2005.

#### 1. RESEARCH AND DEVELOPMENT (R & D)

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

- Introduction of New Products and improving the processes of 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 utilizing 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 as under:

##### A. (i) Electricity

|                                     | For the year<br>2004-05 | For the year<br>2003-04 |
|-------------------------------------|-------------------------|-------------------------|
| A) Purchased                        |                         |                         |
| Units (Lakhs)                       | 20.29                   | 17.48                   |
| Total Cost (Rs. in Lakhs)           | 58.73                   | 51.22                   |
| Rate Per Unit (Rs.)                 | 2.89                    | 2.93                    |
| B) Own Generation (Thru DG Set)     |                         |                         |
| Units (Lakhs)                       | 0.60                    | 0.44                    |
| Total Cost (Rs. in Lakhs)           | 8.07                    | 5.03                    |
| Rate Per Unit (Rs.)                 | 13.43                   | 11.42                   |
| (ii) Coal, Firewood, Rice Husk etc. |                         |                         |
| (Qty in Qntls)                      | NIL                     | NIL                     |
| Total Cost (Rs. in Lakhs)           | NIL                     | NIL                     |
| Rate per Qntl. (Rs.)                | NIL                     | NIL                     |

##### B. FOREIGN EXCHANGE EARNINGS AND OUTGO

|  | 2004-05 | 2003-04       |
|--|---------|---------------|
|  |         | (Rs. in Lacs) |
| Total Foreign Exchange Earnings Earned | NIL     | NIL           |
| Total Foreign Exchange Used            | 544.91  | 597.82        |

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

Place: Mumbai  
Date: September 30, 2005

**Ajay Anand**  
Managing Director