

AUNDE India Limited



**13th ANNUAL REPORT
2009 - 2010**

AUNDE India Limited

**AUNDE India Limited
(Formerly known as AUNDE Faze Three Limited)**

13th ANNUAL REPORT FOR THE YEAR ENDED 30TH JUNE 2010

- | | | | |
|----|----------------------------------------------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Date of Annual General Meeting | : | Saturday, 18th December 2010 |
| 2. | Time and Venue | : | 10.00 AM at Plot No. 146, Waghdhara Village Road ,
Dadra – 396 193
Union Territory of Dadra & Nagar Haveli. |
| 3. | Book Closure | : | Saturday, 11th December 2010 to Saturday,
18th December 2010
(Both Days inclusive) |
| 4. | Investors' Complaints may be
addressed to | : | Corporate Office:
AUNDE India Limited,
102, Shiv Smriti Chambers, 49-A,
Dr. Annie Besant Road, Worli,
Mumbai-400 018
Phone : 022 6660 4600
Email: investors@aundeindia.com |

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BOARD OF DIRECTORS

Mr. Ajay Anand	Managing Director
Mr. Rolf Konigs	Director
Mr. Kapil Sethi	Director
Mr. R. J. Avadhani	Director

COMPLIANCE OFFICER

Mr. Ravindra Koli	Compliance Officer
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REGISTERED OFFICE

Plot No. 146, Waghdhara Village,
Dadra – 396193
Union Territory of Dadra & Nagar Haveli.

CORPORATE OFFICE

102, Shiv Smriti Chambers,
49-A, Dr Annie Besant Road,
Worli, Mumbai – 400 018

AUDITORS

M/s Majibail & Co.
Chartered Accountants
Mumbai.

ADVOCATES & ATTORNEYS

Vikram Philip & Associates

BANKERS

Canara Bank
Bank of India

REGISTRAR & SHARE TRANSFER AGENT

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

AUNDE India Limited



NOTICE

NOTICE is hereby given that the 13th Annual General Meeting of the Members of **AUNDE India Limited** (formerly known as AUNDE Faze Three Limited), will be held on Saturday, 18th December 2010 at Plot No. 146, Waghdhara Village Road, Dadra – 396 193, Union Territory of Dadra & Nagar Haveli at 10.00 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 2010 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.

By order of the Board of Directors
For **AUNDE India Limited**

Place: Mumbai
Date : 19th November, 2010

(Ajay Anand)
Managing 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.
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 Saturday, 11th December 2010 to Saturday, 18th December 2010 (both days inclusive).
4. Members are requested to intimate any change in their address to the Registrar 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 Registrar cannot act on any request for change in the address received directly from the shareholders holding shares in electronic form. 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 resumes of Mr. Rolf Konigs, Director is given under the Corporate Governance Report.



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DIRECTORS' REPORT

To the Members

Your Directors are pleased to present the 13th Annual Report on the working of the Company, together with the Audited Accounts for the year ended 30th June 2010.

HIGHLIGHTS

FINANCIALS

Rs./Lacs

Particulars	2009-2010	2008-2009
Sales	5619.69	3736.31
Profit before taxation	218.45	5.52
Less: Provision for Taxation current	39.57	0.67
Provision for deferred Tax	31.85	44.36
Provision for Fring Benefit Tax	-	2.86
Profit / (Loss) After Taxation	147.03	(42.32)
Balance brought forward from Previous Year	146.76	189.14
Profit available for appropriation	293.79	146.82
Less: Transfer to General Reserve	125.00	-
Balance carried over to the next year	168.79	146.76

BUSINESS OVERVIEW

During the year under review, the Company achieved a total turnover of Rs. 5619.69 Lacs as compared to Rs. 3736.31 Lacs in 2008-09, registering a growth of 50% YoY. The Company has earned a profit before tax of Rs. 218.45 Lacs as compared to Rs. 5.52 in the year 2008-2009. During the year under review, the Company earned a profit of Rs. 147.03 Lacs as compared to a loss of Rs. 42.32 Lacs in the previous year 2008-09.

During the year the company has grown immensely in terms of sales and profitability due to the growth of automobile industry. The robust growth of Indian automotive sector has facilitated AUNDE to boost its sales during the year and to have remarkable profits. Being part of AUNDE Global Group has enormously helped the Company to become a global player. The Company now has tie ups with AUNDE Italy and AUNDE Brazil for manufacturing of auto fabrics to cater international markets, with innovative designer fabrics and quality products. Thus, AUNDE India is expecting higher sales turnover in the current and coming years as well.

FUTURE OUTLOOK

The Indian automotive industry is now integrating into a global automotive supply chain and global automotive companies are looking at India not only for its promising consumer market but also as an efficient supplier base. New technologies in the production process are constantly being introduced, and processes in the sales and service are being evolved to meet the demands of the ever-changing market.

AUNDE India is setting up expansion projects in manufacture of knitted fabrics by allocating and investing of Rs. 25 million for manufacturing textrim, textab and warp knitted fabric. AUNDE India is in the process of technological up-gradation of its installed machineries and equipments so as to adapt the technological changes of auto textile industry especially of global markets. Being part of AUNDE Global Group, the company is confident of leveraging the major market share in auto textile segment.

AUNDE India Limited



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.

NAME CHANGE

In order to reflect the identity of the Company as part of AUNDE Global Group, the Company has changed its name from AUNDE Faze Three Limited to AUNDE India Limited at the Ex-ordinary General Meeting held on 15th September 2010. The Company has received the Fresh Certificate of Change of Name of the Company to AUNDE India Limited from Registrar of Companies, Gujarat, and the name change has been effected from 8th October 2010.

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.

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 EMPLOYEE

As required under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, a statement showing the names and other particulars of employees are here below:

Disclosure under Section 217(2A) of the Companies Act, 1956 for the year ended June 30th 2010.

Name	Designation	Remuneration (Rs.)
Mr. Ajay Anand	Managing Director	36,00,000/-

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

Details of energy conservation and research and development activities undertaken by the Company alongwith 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.

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;



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- (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

M/s 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 Accounting Year 2010-11. M/s Majibail & Company have, under Section 224(1B) of the Companies Act, 1956 furnished the certificate of their eligibility for re-appointment.

ACKNOWLEDGEMENT

The Directors place on record their appreciation of the continued support extended by the Company's clients, business associates, supplier partners, bankers and investors during the year. The Directors also place on record their appreciation of the dedication and contributions made by the employees at all levels, who through their competence, hard work and support have enabled the Company to achieve growth and improved performance. The Directors look forward to their continued support in the future as well.

Place: Mumbai
Date: 19th November 2010

For and on behalf of the Board

Ajay Anand
Managing Director

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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 2010.

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.
 - Development of new technology for our Autofab / Furnishing products.
 - Making new designs acceptable to 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 standards.
 - 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 of high value Autofab / Furnishing products, which are currently imported.

2. CONSERVATION OF ENERGY AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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:

Particulars	For the year 2009-10	For the year 2008-09
A CONSERVATION OF ENERGY		
(i) Electricity		
A) Purchased		
Units (Lakhs)	27.49	20.34
Total Cost (Rs. in Lakhs)	100.50	85.62
Rate Per Unit (Rs.)	3.66	4.21
B) Own Generation (Th ru DG Set)		
Units (Lakhs)	0.35	0.87
Total Cost (Rs. in Lakhs)	6.68	15.95
Rate Per Unit (Rs.)	18.89	18.32
(ii) Coal, Firewood, Rice Husk etc. (Qnty in Qntls)	NIL	NIL
Total Cost (Rs. in Lakhs)	NIL	NIL
Rate per Qntl. (Rs.)	NIL	NIL
B. FOREIGN EXCHANGE EARNINGS AND OUTGO	2009-10	2008-09
(Rs. in Lakhs)		
Total Foreign Exchange Earnings Earned	4.58	48.76
Total Foreign Exchange Used	461.07	650.30

For and on behalf of the Board

Place: Mumbai
Date: November 19, 2010

Ajay Anand
Managing Director



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MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMY & BUSINESS OVERVIEW

The automotive industry (passenger cars) which is amid the top ten in the world with an annual yield of over 2 million units may not be looking so vibrant as of today but certainly has very good future potential for India once the recessionary dust settles.

As the potential of the technical textiles in India, they are promising areas for investment. Though slowly but the production of various technical textiles items is growing at a steady pace. The Indian technical textile industry is seen to grow between \$12-15 billion by 2012, representing 12 percent of the global worth. In addition, the country's overall consumption of technical and nonwoven textiles is believed to record an additional growth of 150 percent in 2012, in line with the GDP growth of the country. In the current state of affairs, technical textiles are recognized as a significantly budding field for promotion of the Indian textile industry.

In the drive towards lowering weight for reducing both fuel consumption and CO2 emissions, many current developments are looking at new uses for fabrics, and by 2020, it is predicted that the passenger cars will contain 35 kg of textiles, which will have a positive impact on the automotive textile industry like never before. Further, woven and knitted fabrics have a predominant share of the global market for automotive textiles, followed by composites - which have the greatest growth potential.

AUNDE India is the only local player to have tie-up with AUNDE Global Group, which gives access to the latest technology and new products which are in the international markets especially in USA and Europe. The Company has already obtained nomination for export of fabrics to GM-Global Programme for its plants in Thailand, Indonesia and Uzbekistan.

Currently circular knitted fabrics are extensively used in car interiors for seat covers, headrests, door panels, headliners, sunroofs, pillars, parcel shelves and boot covers. Warp-knitted fabrics are characterized by their wide range of applications and are also employed as door panels, headliners, pillars and boot covers.

AUNDE India is in the process of expansion of its existing capacities by installation of machines and technology required for the manufacture of knitted and warp knitted fabrics. These additional capacities will be utilized to seize the market share in knitted and wrap knitted fabrics.

AUNDE India is creating a competitive advantage worldwide by building global sourcing capabilities by developing and manufacturing low cost fabrics and introducing new performance fabrics for OEM's. AUNDE India designers are now teaming with Aunde Global group designers for new launches worldwide.

With this competitive advantage over our competitors, the Company looks forward for better and more upbeat times when the full potential of the Company can be actualized with genuine inclusive growth of the Company in the coming years.

Internal Control Systems and its adequacy

The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards of assets, the reliability of financial controls, and compliance with applicable laws and regulations. The organization is well structured and the policy guidelines are well documented with pre-defined authority. The Company has also implemented suitable controls to ensure that all resources are utilized optimally. Financial transactions are reported with accuracy and there is strict compliance with all applicable laws and regulations.

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The Company has put in place sufficient system to ensure that assets are safeguarded against loss from unauthorized use of disposition and that transactions are authorised and reported. The Company also has an exhaustive budgetary control system to monitor all expenditure against approved budgets on an ongoing basis.

Human Resources / Industrial Relations

Human Resources represent the collective expertise, innovation, leadership and management skills of organization. The Company is of the strong belief that the employees are the most vital resources giving the Company an edge over its competitors in the dynamic business environment. On the industrial front, your company has had cordial and harmonious relationship with its employees and unions.

Pollution and Environmental Controls

The Company has made progress in improving energy efficiencies and waste management and has complied with all applicable environmental laws and regulations. Utmost safety and health of the people working in the premises of the Company is of prime importance to the management of the Company and management has taken all possible steps to ensure the same including providing the appropriate safety equipments at the work place.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objective, projections, estimates, expectations or predictions may be forward looking statements within the meaning of the applicable corporate laws and regulations. It may be noted that the actual results may differ from that expressed or implied herein.

Place : Mumbai
Dated : November 19, 2010

For and on behalf of the Board

Ajay Anand
Managing Director